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HOUSING ELEMENT

BERKELEY MASTER PLAN

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HOUSING COMMITTEE OF THE PLANNING COMMISSION

BERKELEY, CALIFORNIA

JULY 31, 1975

*Housing
City planning*

Berkeley

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BACKGROUND

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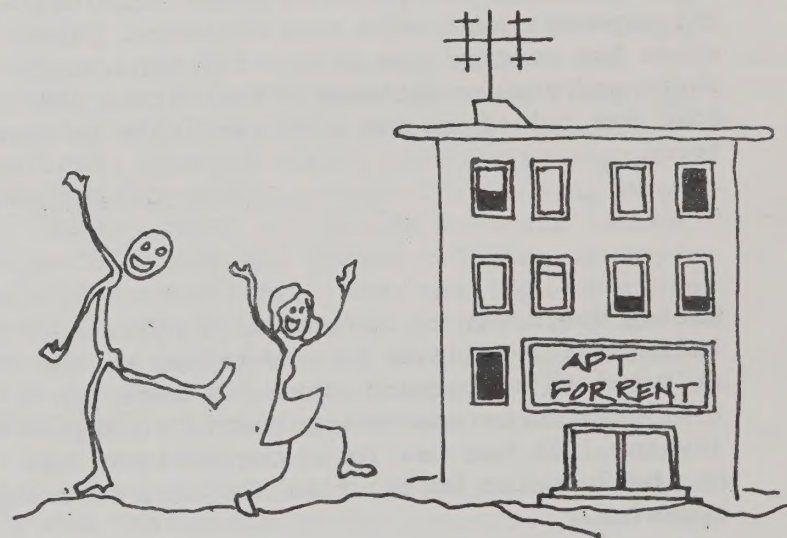
INTRODUCTION

Background

Unlike fire protection or parks, housing has traditionally been developed, financed, owned and maintained by private individuals and corporations. Governmental action has largely been geared to protecting and encouraging private development. Only gradually has government action moved from supporting the developer to responding to unmet housing needs of the people.

Public involvement began with regulation--using the police power to control the quality and character of private development. Zoning, subdivision and building ordinances are the most common forms of regulation. In the early 1970's requirements for the evaluation of environmental impact were enacted. Concern for energy conservation is now being introduced. Design controls and incentives to produce low income housing have been enacted; these continue to face legal challenges. Berkeley's Neighborhood Preservation Ordinance is an interim measure to encourage low income housing and to increase neighborhood participation in development decisions.

To stimulate employment and expand home ownership in the 1930's, the federal government initiated direct participation in housing. The Federal Housing Authority began insuring long term, low down payment mortgages. Lending institutions then would assume risks otherwise unacceptable. Additions have included insurance for rehabilitation loans and the subsidizing as well as insuring of below market rate loans for housing to serve low and moderate income families, senior citizens and college students.



To obtain housing for even lower income households, the Public Housing Authority was created to provide loans and subsidies to local housing authorities to construct housing which was owned and managed publicly and rented at prices based upon the income of the tenant. This concept has branched out into the re-rental of leased private housing to low income households at a rent based upon income and into experiments in housing allowances.

Indirect assistance to owners has come through a variety of tax incentives. Federal Income Tax laws permit owners to take depreciation on income property in addition to tax deductions for property taxes and interest payments available to all owners. The state has enacted tax relief for owner-occupants and senior citizens. Some state income tax relief is now also available to renters.

During World War II rent control operated; individual localities have retained or instituted this approach since. A rent control charter amendment was passed in Berkeley in 1971 but was found unconstitutional by the Superior Court; this decision is being appealed.



In recent years emphasis has shifted to housing rehabilitation through low interest loans and grants. Housing services have emerged from the operation of other housing programs. Relocation is the most significant. Technical assistance on housing maintenance, assistance to those meeting housing discrimination, tenant-landlord mediation and financial counselling are among the services being offered in various programs. Actively soliciting private investment and supporting legislation for greater state and federal participation in housing are increasing. A major objective of the Housing and Community Development Act of 1974 is to better coordinate these roles in housing by all levels of government.

Development of the Housing Element

The State of California recognized the need for housing planning when it added Housing as a required element for Master Plans. The Berkeley Planning Commission named housing as its highest priority in 1972. The Housing Committee of the Planning Commission was organized and charged with the responsibility to "embark on a housing analysis, housing policy determination and implementation proposal which may be integrated into a Housing Element of the Master Plan". The purposes of the element are to:

- (a) increase recognition of housing problems and needs;
- (b) provide a benchmark from which progress on housing can be measured;
- (c) set forth policies to guide programs that most effectively address the housing needs of all economic segments of the population;
- (d) facilitate coordination between various agencies and cities and to relate housing to other City goals and policies; and
- (e) propose a coordinated program to meet short and long range objectives based upon housing policy.



Since undertaking its responsibilities, the Housing Committee has worked with the community and staff in analyzing many facets impinging on Berkeley housing-- its changing population, community attitudes, housing conditions, housing costs, university impact on the housing market, needs for housing rehabilitation, needs of low and moderate income households and the issues relating to condominium conversions. Many meetings have been held to obtain community opinions and response to proposals. A monthly newsletter has informed interested organizations and individuals of housing actions. Intensive study has been given to housing proposals. All these activities have contributed directly and indirectly to the preparation of this Housing Element.

Components of the Housing Element

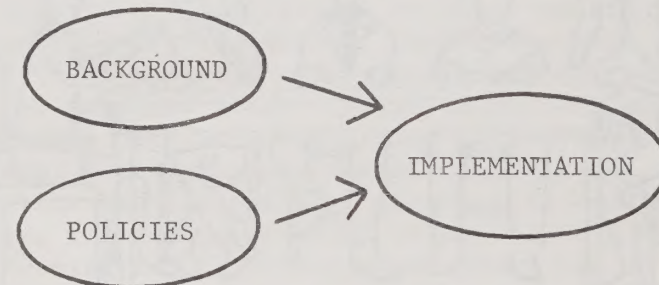
The Background section is designed to describe the housing issues facing Berkeley. Problems, current activities and constraints are described in terms of Housing Cost, Availability of Housing, Housing Condition, Special Needs (of the elderly and disabled), University-Related Housing, Discrimination, and Neighborhood Character.

The Policy section defines the goals and policies. Goals describe the community Berkeley is striving to become. Policies indicate the direction government should be moving to reach these goals. Commentaries describe the intent and implications of the policy statements.

The Implementation section indicates programs that will lead to reducing housing deficiencies. Each recommendation is related to the relevant policies.

Coordination

The Housing Element will become part of the revised Master Plan. In this context housing policies and programs can be related to land use policies, transportation, community services, open space and neighborhood development and participation. Concurrently, the Element can provide a broad framework into which specific programs addressing housing conservation, university related housing, the allocation of housing assistance, the development of new housing and special needs can be integrated. The Element can also be used to measure the extent to which private and public actions are achieving City goals and responding to the community priorities expressed in policy statements.



COST

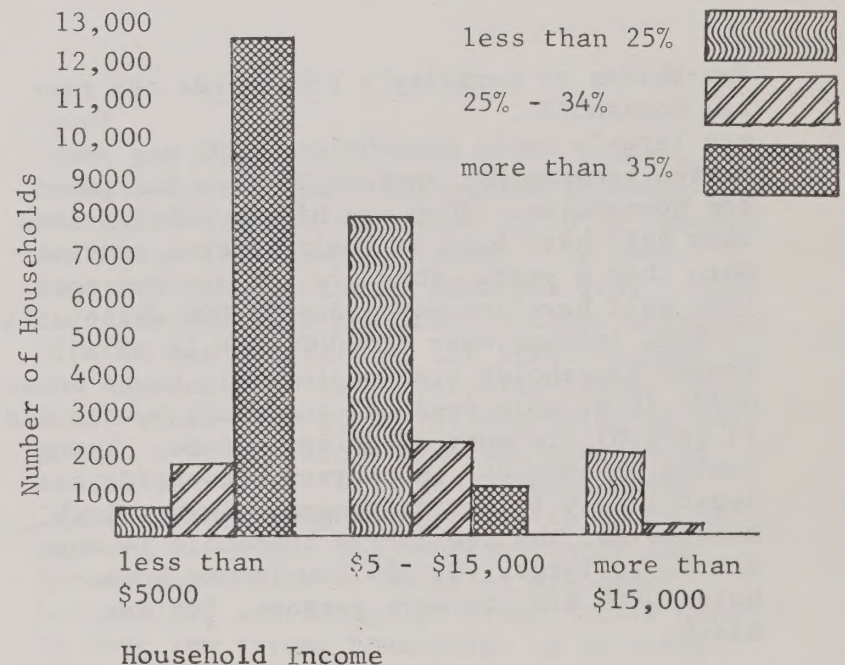
Problem

The most critical housing problem facing many Berkeley residents is finding a home they can afford. Many pay such a high proportion of their income for housing that other needs, such as clothing or food, are compromised. Many live in housing that is physically deteriorated, too small or in a poor location. Many pay more than they can afford for unsuitable housing. For example, 92% of rental households with annual incomes under \$5000 pay more than 25% of their income for rent. In contrast, only 1% of rental households with incomes over \$15,000 pay 25% of their income for housing. In Berkeley, for every household with an income over \$15,000, there are four households with an income under \$5,000.

How much income is needed to get a decent home? U.S. Department of Labor Statistics on household budgets, FHA income eligibility criteria for occupancy in housing financed with low interest loans, and HUD income guidelines for public housing occupancy were analyzed. Based on this study, households eligible for occupancy in public

housing are classified as low income households. Households eligible for purchase or rental of housing assisted with low interest loans are classified as moderate income households. Households with incomes above these levels are classified as upper income households.

% HOUSEHOLD INCOME SPENT ON RENT

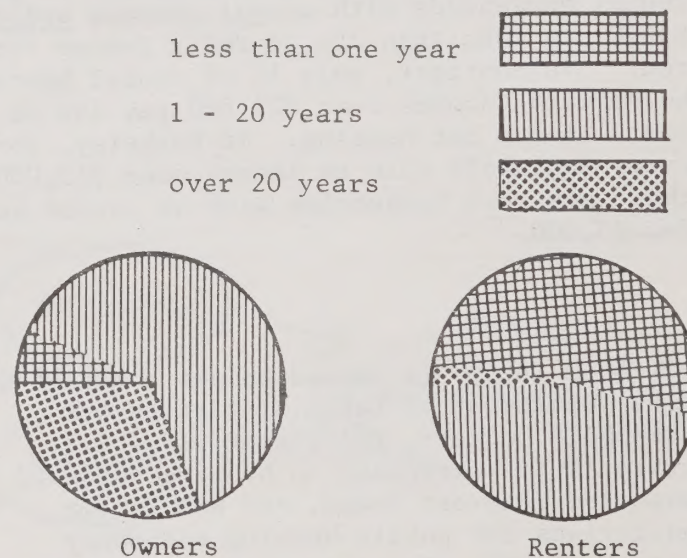


In the 1970 Census income data was tabulated differently for families and households made up of unrelated individuals. For a family, the income of all members is added together to arrive at the "family income". In households made up of unrelated individuals, the income of the person designated as the "head of household" was tabulated as the "household income". Thus, the income for households made up of several unrelated persons is apt to be understated. About 15% of renter households and 4% of owner households are of this character in Berkeley.

Two-thirds of Berkeley's households are rental households. They are largely small households - 40% are one person households; another 25% are two person households. They are highly mobile; less than half have been at their present address more than a year. They are low income; more than half have incomes under \$5,000 while only 7% have incomes over \$15,000. 56.2% of all rental households are low income. Large households (6 or more persons) and small households (1 person) are most often low income. Among rental households, two person households are least likely to be low income. Among Black households, the low income household is more apt to be large. Of 335 low income households with six or more persons, 205 are Black.

Owner-occupants in Berkeley are predominately owners of single family homes and small (2-4 unit) apartments. While a small and growing number of condominium apartments have been created through conversion and a small number of townhouses built, the lack of vacant developable land in Berkeley precludes the extensive condominium development occurring elsewhere. Owner occupied units contain larger households. Less than 20% are 1 person households; almost 28% have 4 or more persons. Almost 35% are two person households, the

HOW LONG DO BERKELEYANS STAY PUT?



most common size, and comparable to the proportion of rental households containing two persons. Owner households are generally of higher income. Less than 20% have incomes below \$5,000 while more than 37% have incomes over \$15,000. Owner households are more stable. Less than 7% moved into their home in the past year (compared to over 50% of rental households); more than half have been in their present home more than 10 years and 30% have been there more than 20 years.

Despite the higher income and greater stability of owner households, large numbers have incomes too low for their housing expenses. While only 25% of all owner households are low income, 48% of 1 person owner households are low income. The total number of low income owner households is 3,678. Black households are more often low income. 31% of all Black households have low incomes; almost 62% of 1 person Black owner households have low incomes. Blacks also have a much higher proportion of moderate income households whose ability to pay for and maintain housing is marginal.

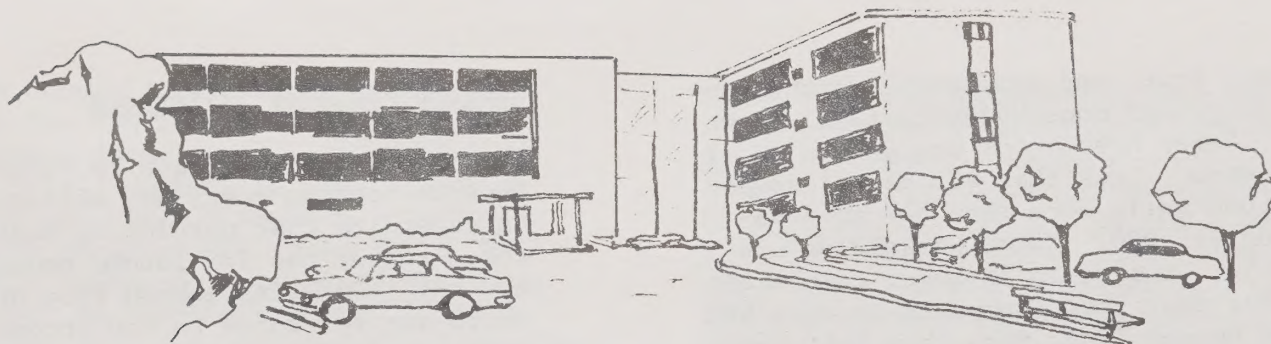


2/3 rent.
1/3 own.

Current Forms of Assistance

The most direct approach to reducing the gap between housing costs and ability to pay is to subsidize that portion of housing cost beyond the means of the low income household. Berkeley now has 1100 units leased from private owners which are re-rented to low income senior citizens and families at rents based upon ability to pay. Some expansion of this approach is expected under the new Housing and Community Development Act of 1974. To date this program reaches only 5% of the low income households in Berkeley.

Other assistance is directed to specific housing cost items. Tax relief to owner-occupants exempts the first \$1750 of assessed valuation from property taxes. In Berkeley this reduces taxes \$300 per year. Senior citizens with household incomes under \$10,000 can obtain from the State refunds on the remainder of their property taxes. Refunds range from 4% to 96% depending on income. A state income tax reduction of up to \$45 is available to rental households. Tax relief is weighted heavily in favor of the owner. Since only one-fourth of low income households in Berkeley are owner households, tax relief provides little benefit to most low income households in Berkeley.



Another way to assist housing is to reduce the interest rate on mortgages. On long term loans, interest is the major cost item. With a reduced rate, the monthly payment can be reduced significantly. The Department of Housing and Urban Development has provided low interest loans to non-profit corporations to develop rental and ownership housing for senior citizens and families to meet the needs of moderate income households. In Berkeley 330 senior citizen units and 84 family units are available to moderate income households.

Owners in the San Pablo neighborhood have been helped through low interest rehabilitation loans available as part of the Federally Assisted Code Enforcement program just completed.

Finally, income tax deductions for property taxes and interest payments reduce owner costs. This produces significant savings for upper income homeowners and landlords. The amount of savings diminishes rapidly as the income of the household and/or the value of the property decline.

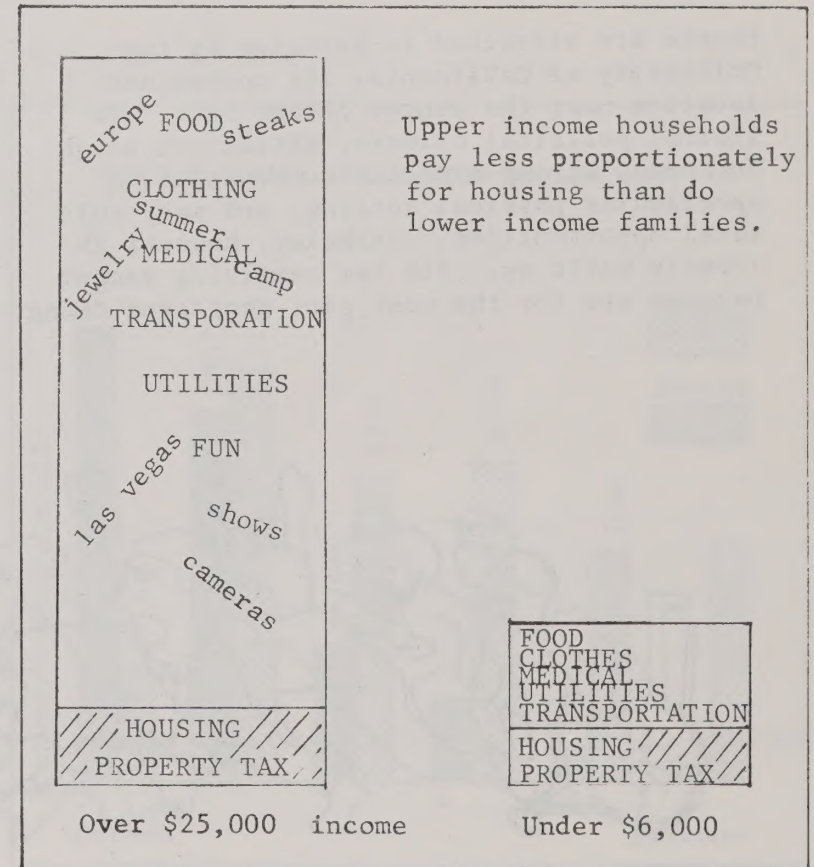
Constraints

The private market has not been able to bridge the gap between housing cost and the ability of many Berkeley households to pay. As costs for new construction rise, the proportion of the population able to purchase or rent new housing decreases. The market value of existing housing increases as the population priced out of new housing competes for the existing stock. For everyone, utility costs, repair costs, taxes and interest rates continue to soar.

Reliance on the property tax for financing local government, schools and other services puts a regressive burden on low income households. Property taxes are levied on the market value of the property. With no exemptions current taxes on a \$30,000 home come to \$100 per month. Low income households pay larger proportions of their incomes for housing and tend to occupy housing expensive relative to their incomes. Upper income households can meet their housing needs for substantially smaller proportions of their income. The result is that low income households are paying a larger proportion of their incomes (directly or through rental payments) for property taxes than upper income households. The problem is compounded in Berkeley by the limited tax paying industrial and commercial properties and the large amount of university and other non-profit land off the tax rolls. The major burden for financing local government falls on residential property owners.

The private market has no way of distributing housing on the basis of ability to pay. The result is that lower priced units are often occupied by upper income households. 15% of rental households (4305) pay less than 15% of their income for rent; three-quarters of these households earn over \$10,000 per year. 40% of owner occupants

live in homes worth less than twice their yearly income. These households could probably afford to pay more for housing but choose not to. The result is that the few good low cost units are often not available to lower income households.



AVAILABILITY OF HOUSING

Problem

People are attracted to Berkeley by the University of California, its convenient location near the center of Bay Area, its liberal political climate, attractive neighborhoods, strong minority communities, a spectacular physical setting, and many cultural opportunities. Berkeley, however is largely built up. Its few remaining vacant parcels are for the most part scattered among

hill locations suitable primarily for expensive low density family homes. The demand for housing outstrips the supply.

The result is an extremely low vacancy rate. The overall rate has gone from 4.5% in 1960 to 3.6% in 1970 to 1.4% in 1973. There is a high turnover of rental properties in Berkeley. In 1970, more than half of the rental units had been occupied by the household for less than a year. Still, locating suitable housing is difficult. Available units are snapped up quickly, often passed from one tenant to the next by word of mouth. The choices available to the unsophisticated are limited and costly.



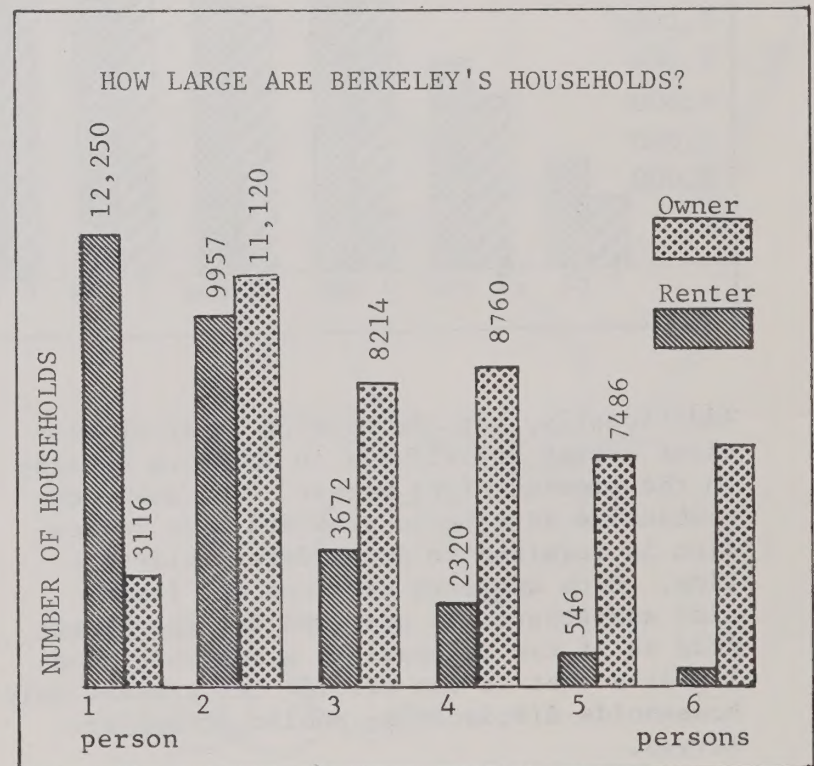
Vacancies among homes for sale are even more limited, estimated currently at approximately .5%. While this is somewhat lower than true availability since owners often occupy their homes until they are sold, trends have been toward more stability among owners. As interest rates and prices of new homes have increased, owners tend to stay put, even if their housing needs change.

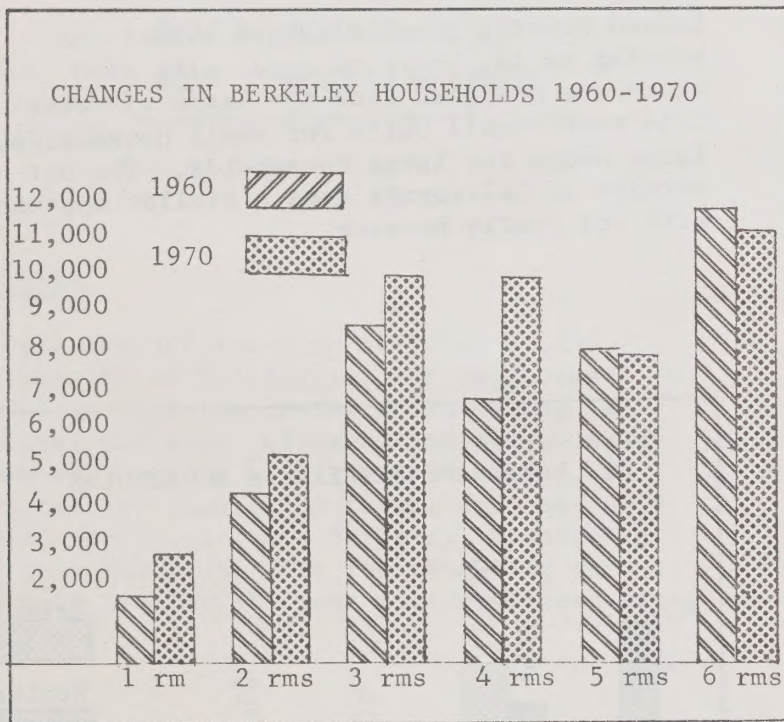
An important effect of "staying put" is a poor distribution of housing based on households needs. Over two-thirds of owner occupied housing appears to have more rooms than the household needs. Less than 16% of renter occupied housing is large relative to the size of the households. Among Black households the same pattern exists. Less than 15% of Black renter units are larger than the household needs; 51.4% of the owner units are.

Current Activities

Private housing is allocated on the basis of ability and willingness to pay for available units. Some public efforts to modify the process do exist, however. The

Leased Housing Program allots subsidized housing on the basis of need. Its 1100 units are assigned upon the basis of household size--small units for small households, large units for large households. The University of California uses a similar approach with its family housing.





Additionally, various housing location services assist individuals in locating housing in the present tight market. The most comprehensive service is provided when relocation is required to accommodate public action. Both advisory services and financial assistance are provided for the household so it can relocate in a suitable housing at a cost it can afford. At present only households displaced by public action are served.

Constraints

The spiraling costs for housing are the greatest deterrent to a more rational distribution of units on the basis of need. Owner-occupants find it difficult to replace their current home, even with a smaller one that might be more suitable to their needs, without increasing their housing cost significantly. The same need to get the most housing from limited income causes households to cling to good rental properties. This increases the competition for those units which do become available.

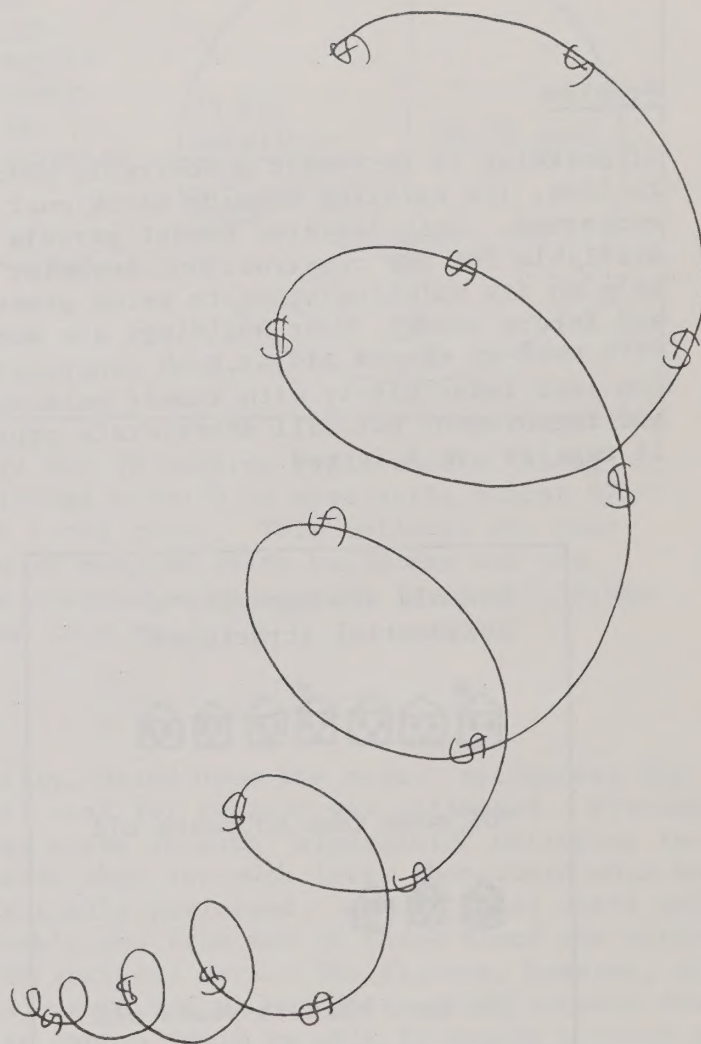
The impact of inflation has been that the longer a household remains in its housing, the more economical that housing becomes. While this contributes positively to community stability, reduced mobility causes growing households to be overcrowded and shrinking households to have more space than they need.

The lack of vacant land limits new construction. Earthquake and slide hazards further inhibit opportunities for development. Even if new development speeds up in the outlying areas, the impact will only be felt indirectly and belatedly in Berkeley. Vacant land here is almost all in expensive lots in the hills which are costly

to develop. These lots cannot be expected to meet the needs of low and moderate income households who have already been squeezed by the loss of single family housing over the past 15 years. Houses have been demolished for University expansion, BART and other non-residential activities.

Since 1960 there has been a significant loss of housing with 5 or more rooms while the number of smaller units has greatly increased. This has resulted in a corresponding loss of households with 5 or more persons and an large increase in one person households. If larger households are to have a place in Berkeley, existing housing must be preserved for them and more created wherever possible.

Resistance to new development is also contributing to limited mobility and low vacancy rates. The concensus within the community is that low vacancies are preferable to more development. The latter is seen as a long term threat to the quality of life in Berkeley. Solutions are needed which will preserve larger housing and neighborhood amenity while expanding the supply where that is opportune.

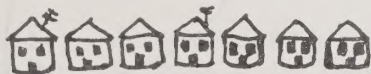


HOUSING CONDITION

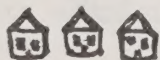
Problem

If Berkeley is to remain a desirable place to live, its existing housing stock must be conserved. Only isolated vacant parcels are available for new construction; Berkeley must rely on its existing stock to serve present and future needs. Most buildings are wood frame with wood or stucco siding. Such construction can last indefinitely with timely maintenance and improvement but will deteriorate rapidly if repairs are deferred.

How old are Berkeley's Residential structures?



70% more than 45 years old



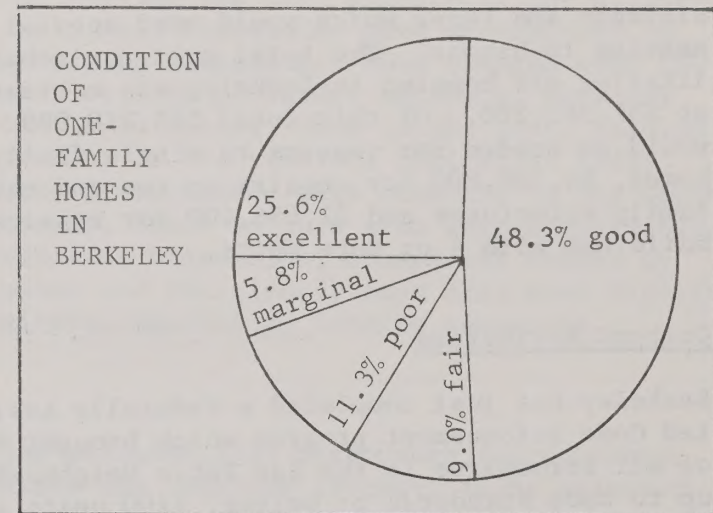
30% less than 45 years old



The age of Berkeley's housing is an indicator of potential problems. More than 70% of the residential structures in Berkeley are more than 45 years old. About one-third have undergone major improvements; still half the structures in the Berkeley were built before 1930 and have undergone no major improvements since then. 80% of these structures are single family homes. Over 15,000 were built prior to 1930 and over 10,000 have had no major improvements since that time. Of the 3000 two and three unit buildings (which contain over 6600 units) two-thirds were built before 1930 but more than half of these have had major improvements. Of the 4-9 unit buildings, half were built before 1930 and almost half of these have been improved so only one quarter (410) of the buildings containing slightly over 2,000 units have an effective age above 45 years. Structures with 10 or more units are the newest. One third were built before 1930 and many of these have been improved. Of the 7820 in buildings of 10 or more units, only 1700 are in buildings with an effective age of more than 45 years.

Another indicator of condition is the assessed valuation. Where the assessment is low for the type of building, the assumption is made that the building needs repairs or rehabilitation. Based upon the number of apartment buildings with low assessments, over 3000 units in 4-9 unit buildings and over 1200 units in buildings with more than 10 units are in structures needing rehabilitation; an additional 100 units in large buildings should be replaced altogether. Of single family homes, almost 1000 are assessed at less than \$15,000; an additional 4700 are assessed from \$15,000 - \$19,999. Of two and three family structures, more than one-third are assessed at less than \$25,000 and about 450 at less than \$20,000.

In 1973, a survey of housing conditions was completed. An estimated cost of repairs was made for each structure. 1, 2 & 3 unit buildings were rated excellent, good, fair, poor or marginal or worse; larger buildings were rated as sound, substandard-- can be repaired and substand-- cannot be repaired. Based upon this analysis almost 75% of the 1, 2 and 3 unit buildings rated good or excellent; slightly more than one-fourth (about 6,000 structures) need substantial repairs, major rehabilitation or replacement. Of 4-9 unit buildings, almost 60% were rated sound with approximately 600 needing substantial re-



pairs and 30 needing replacement. Among buildings with 10 or more units almost 97% were rated sound. This reflects the newness of many of these buildings and the more systematic management larger buildings often receive.

Finally, based upon the repair estimates, the total cost for repairs was estimated. Previous experiences in such "windshield" estimates indicates they are much lower than costs when work is actually performed. Actual total costs would probably run from two to three times the estimates included here. The figures, however, are total costs and do not distinguish between those costs owners would be able to handle without as-

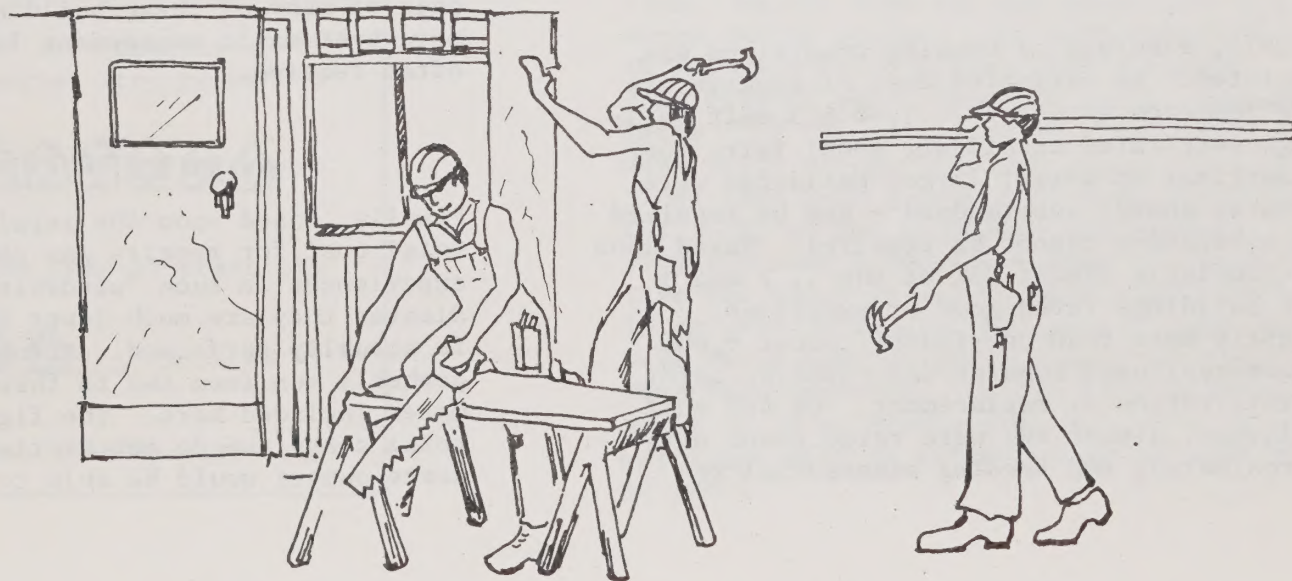
sistance and those which would need special financing to handle. The total cost for rehabilitating all housing in Berkeley was estimated at \$32,565,200. Of this total \$25,270,000 would be needed for repairs to single family homes, \$4,598,800 for repairs to two and three family structures and \$2,696,400 for repairs to buildings with 4 or more units.

Current Activities

Berkeley has just completed a Federally Assisted Code Enforcement program which brought 95% of all structures in the San Pablo Neighborhood up to code standards or better. 1100 units are involved, the largest such single program in the country. Based on this experience, rehabilitation assistance in the Model Neighborhood and

three pilot areas is underway to test a variety of approaches to rehabilitation. In the coming year \$1.5 million dollars of the City's Community Development Block Grant will be committed to housing. The lion's share will go to provide technical and financial assistance for housing rehabilitation. The remainder will assist rehabilitation indirectly by services which assist in relocation and self-help.

Concurrently, the new Housing Department is implementing a comprehensive program for housing conservation which will coordinate rehabilitation programs, code enforcement and housing services to achieve maximum improvement to the housing stock. The overall objective is to provide needed assistance and to promote self-help improvement throughout the community.





Constraints

The major impediment to housing maintenance and rehabilitation is cost. Materials, labor and interest rates have all increased. Low and moderate income owner-occupants and landlords renting to low and moderate income households do not have the money available for adequate maintenance. The most inexpensive maintenance is prompt repairs; if it is deferred, other problems are generated and the total bill increases dramatically. Too often a point is reached at which either a house deteriorates beyond repair and is lost or it is repaired and priced beyond the means of the low and moderate income households it has served in the past.

Aggravating the cost picture is the difficulty many households have encountered in obtaining financing. This changes with the availability of funds. Areas of Berkeley have been denied loans in the past, leading to many of the problems that exist today. When disturbances were occurring in the South Campus, loans in this area were unavailable. Minority households, households headed by women and the elderly have also been discriminated against by lending companies.

Tax policies also discourage improvements. State law requires property to be assessed at 25% of its market value. When properties are improved, their value often increases. Assessment increases follow. The owner sees repairs as costing him money rather than saving him money.

Like automobiles, modern homes are intricate things. Some problems such as termite infestation are difficult to identify when they are easily dealt with. Equipment such as furnaces requires expertise to repair. Other types of maintenance require skills and tools often lacking by the owner. Even those activities an owner can undertake such as painting and gardening require physical agility, energy and time that individuals may lack. Improved home management skills and more cooperative self-help are needed to keep housing costs within the reach of Berkeley households.

SPECIAL NEEDS

Problem

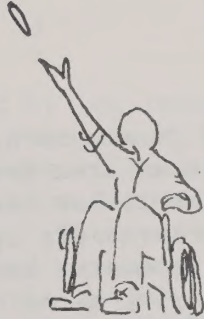
In the past the disabled, the elderly or those with other special needs were housed with their families or in large institutions. More and more of these persons are striving to live independently or in smaller group housing where they can be members of conventional communities.

The largest group are the elderly who often suffer limited income and impaired health. In 1970, over 15,500 Berkeleyans were 62 years old or over. About 15% of these were living below the poverty level in 1970; almost half had incomes below \$5,000 in 1969. Less than 7% of residents over 65 live in group quarters; most of these are in institutions such as nursing homes with less than 2% in rooming houses and other group quarters. Almost half the households are single person households. Among 1 person rental households, 57% pay more than 35% of their income for rent. Among senior citizen owners, 45% have homes valued at four or more times their annual income.

Berkeley's central location and facilities serve many disabled persons. Almost 10% of Berkeley's population is impaired physically or mentally enough to inhibit either temporarily or permanently participation in normal community life-- jobs, schools, homemaking, etc.

For those confined to wheel chairs few housing units are suitable-- doors are too narrow, stairs cannot be climbed and fixtures are often out of reach. Where these physical barriers can be overcome, many handicapped persons can live independently. Homeless children, the retarded and others with special problems are often best housed in foster homes. Such homes provide needed supervision and care in an environment that is as much like a family home as possible. In recent years a number of larger Berkeley homes have been used to provide various forms of residential care. Difficulties have been encountered, however, in finding suitable places to meet these needs without disturbing the character of the neighborhood.





Current Activities

To date the City government has taken little active role in housing for the disabled. The Housing Department is monitoring the development of standards for housing to serve the disabled and elderly. The Community Development Block Grant will focus a portion of its rehabilitation assistance on disabled homeowners. Within Berkeley, the University of California Housing Office takes an active role in locating housing for disabled students; the Center for Independent Living helps individuals find housing and seeks to broaden the housing available to the disabled. The Model Cities program has provided rehabilitation loans and grants for elderly homeowners; this is being continued under the first year Community Development Housing Program. A number of senior centers provide help to individuals. 50 senior citizen households are in leased housing units; 330 are in moderate income housing financed with low interest loans. Some of these units are designed for disabled persons. The Zoning Ordinance allows apartments serving the elderly to provide only 25% of the parking spaces required for buildings serving the general public.

Constraints

Many disabled and elderly persons are very low income. Problems have increased recently because inflation is hardest on those depending upon pensions and other fixed incomes. Often these households have little capacity to increase their incomes while the demands on their incomes for such items as medical care are escalating rapidly.

Resistance to the continued rental of small units (often illegal) often makes it difficult for older residents to stay in homes they have owned for many years. Many cannot find other suitable housing and would prefer to stay if a means could be found to reduce their costs. Many do this by renting out part of their home. If this practice is prohibited, housing options for the elderly will become more limited.

Group living is often perceived as a threat to a residents' "family neighborhood". Worry about increased traffic, noise, anti-social behavior and changing neighborhood character is translated into resistance to using single family homes for foster care or half-way houses. Inadequate criteria are available for measuring the validity of these perceived threats.

UNIVERSITY RELATED HOUSING

Problem

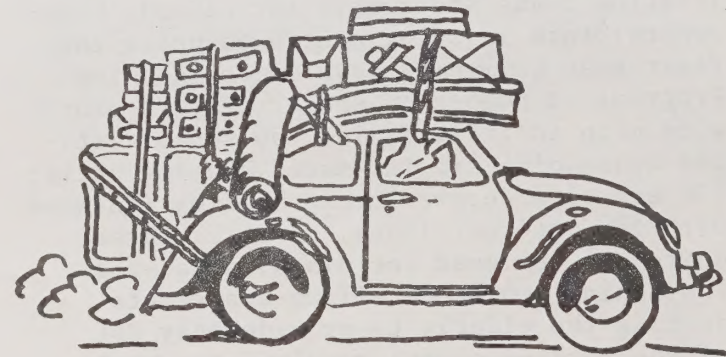
The University of California represents Berkeley's major industry. Students, faculty, staff and visitors bring 50,000 people a day to the campus. 10,000 persons are employed full time; student enrollment is 28,000. Unlike other industries, the university creates distinctive residential needs and problems.

Staggered class hours; participation in campus social, cultural and sports activities; use of library, laboratory and other special services; and part time jobs make it important for students and many staff to live close to the campus.

Since World War II the university has grown 17,000 to 28,000. Student housing has increased greatly adjacent and south of the campus where dormitories and apartment buildings have replaced older family homes and rooming houses. Dormitories now house close to 4,000 students; the number in other group quarters

has declined to around 4,000. Reflecting the new south campus area development, the number in apartments has increased to over 15,000. The cost pressures are apparent; the number living with roommates has grown sharply while the number living alone or with spouse declined by 1200 from 1967 to 1970. Concurrently the number living with parents or friends (almost 3500 in 1973) has increased by 67% since 1967.

Students are a highly mobile population. They often stay in Berkeley for only a few years; some leave during the summer. In the few years they are here they often have numerous addresses.

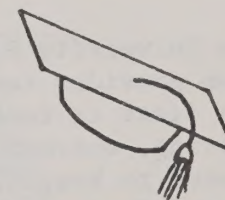


Mobility is aggravated by low income. For the nine month school year almost 25% of all students have incomes of less than \$2000. Less than 10% have incomes over \$5,000 for nine months. The result has been that fewer students are able to live close to the campus. Since 1967, the number of students enrolled at the University of California has increased by 2,500 while the number of students living in Berkeley has decreased by 1,000. At present less than two-thirds of all students live in Berkeley.

The rent for the new apartments in the south campus area is so high that its occupancy includes many working adults. This further exasperates the student housing dilemma.

One response has been to move into homes and apartments in what are traditional family neighborhoods. Conflicts of life style occur. Prices for homes is bid up by groups of students. Resentment of students and young adults has been expressed. Some larger homes are rented out by the room, resulting in poor maintenance of yards and common areas. Students and neighborhoods suffer from such exploitation of some of Berkeley's finest old housing.

Faculty members experience housing problems as well. The nature of their work makes close proximity to the campus very desirable. Junior faculty find buying a home in Berkeley beyond their means. Visiting faculty have problems finding temporary housing. Other staff members have less need to live close to the campus; their commuting, however, has a detrimental effect on many Berkeley neighborhoods.

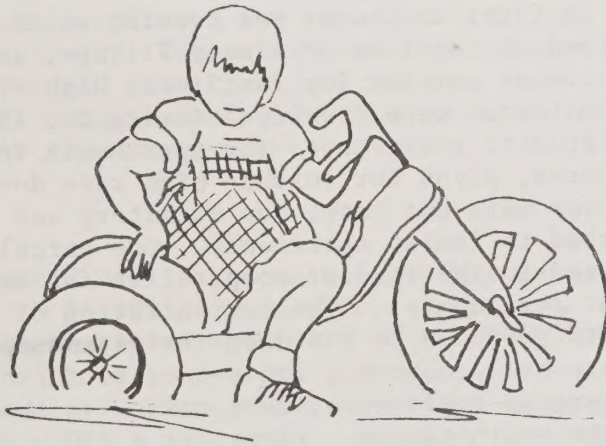


Current Activities

Before World War II the University made little attempt to meet student housing needs. The housing it operated had been donated. With the influx of students after World War II it first took over war housing which formed the nucleus of Albany Village, an apartment complex for families. High rise dormitories were developed during the 1960's. As student preferences for apartments increased, plans for further high rise dormitories were cut back; one dormitory was converted to family apartments. One parcel was leased to the student cooperative for an apartment development. The concentration of students produced by the dormitories and apartments has produced a resistance to further intensive residential development in the immediate south campus. Plans for a 250 unit student housing project have been deferred.

Along with the housing it manages, the University operates a housing service which takes listings of private housing available for students and faculty. Educational information is available on tenants rights and obligations. Where legal or counselling services are needed, students are referred to appropriate University offices.

The University Students Cooperative Association provides two types of low cost housing. The first is room and board, dormitory type housing, where students work several hours a week to keep the cost to a minimum. The second is conventional apartments and apartments where four students each have a room and share the kitchen.



The University and the City have examined the problem of student housing in a search for ways to meet student housing needs without increasing the problems for other Berkeley residents. The City-University Community Affairs Committee Housing Task Force is currently seeking to find ways to improve student housing within the context of City policies.

Constraints

While the university is taking a more active part in student housing than in the past, there is no clear University policy about its responsibility. In the 1950's an objective of housing 25% of the students in University housing was set forth. Little commitment to this objective has been evident from the campus administration.

Critical is their insistence that student housing "pay its own way". Increasing housing costs have made it possible to pay for new housing to some extent with excess income from older student housing. The administration, however, is now requiring that new development be projected to cover its own costs. Because loans to build student housing are paid off over a 30 to 40 year period, concern about the long range ability of student housing to generate the income to cover bond requirements dictate a conservative approach by the administration.

As a state institution, the University can operate quite independently from the City. It cannot, however, operate independently of the Board of Regents. The result is that the local university administration has been oriented more toward the total university system than toward cooperative arrangements with the City.

While Berkeley would like to see the University take a more active role in meeting university - related housing needs, suitable sites and opportunities are limited. The low density residential development that characterizes Berkeley neighborhoods will not be sacrificed for student needs. Cooperation and innovation are needed if significant improvements are to be realized.

An aggravating problem has been the conversion of housing to other uses and the loss of housing in the expansion of University educational buildings during the 1960's. Often the market for offices offers greater financial return than student housing. The priority need for student housing must be asserted if those buildings most suitable for student needs-- in terms of location, design and cost-- are to be retained for these purposes. Once a residential building has been converted to office use, reconversion to residential group use must meet building rather than housing codes. In most instances this is prohibitively expensive.

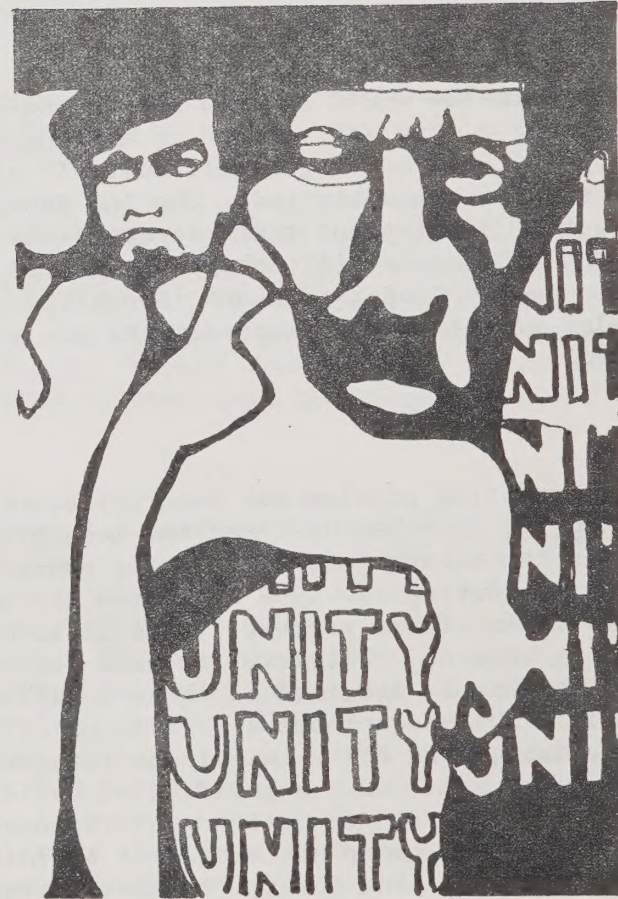


DISCRIMINATION

Problem

Discrimination in housing takes many forms and produces both short and long term impacts. Because housing is allocated on the basis of ability to pay, lower income households are effectively kept out of many neighborhoods and sound larger housing units. When social groups such as students, Blacks, the elderly and single parent families include many lower income persons, de facto segregation results. This separation fosters distrust and fears between racial groups and life styles.

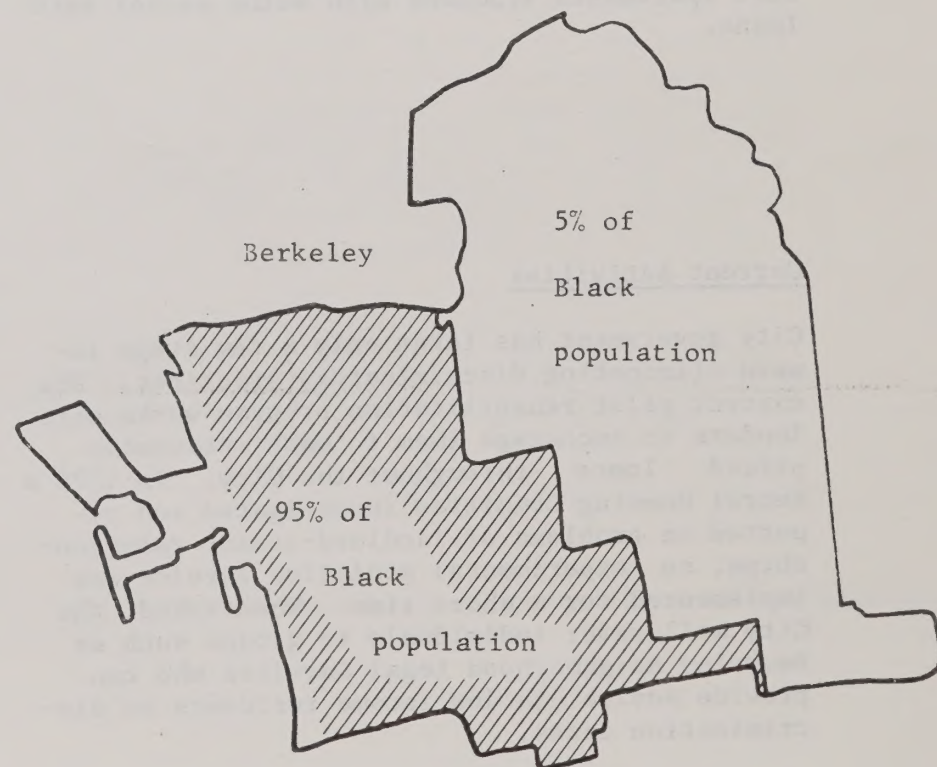
These historical patterns are apparent in the racial enclaves of Berkeley. As recently as 1963 Berkeley voters defeated an ordinance to prohibit discrimination in the sale of rental of housing. Discrimination on the basis of race, religion and ethnic background is now illegal but the legacy of past attitudes and housing patterns continues. Discriminatory practices are reinforced by the natural reluctance of persons to move into a neighborhood where they will not feel welcome. No affirmative action has been taken to change these attitudes and patterns.



Unconventional life styles also find housing difficult to find. Single mothers and welfare families are often viewed as threats to neighborhood residents and their children. Students may be seen as noisy and irresponsible. Communes appear to increase residential density and traffic. While specific examples can be cited to substantiate each of these prejudices, the overall effect is to make housing difficult to find for all such individuals and groups. Almost no lifestyle is inherently detrimental to a neighborhood environment but many are discriminated against as if they were.

Discrimination in the availability of housing has extended to discrimination in the availability of financing and insurance. Neighborhoods-- usually black low income neighborhoods --often cannot obtain financing to buy or improve property or the rates unusually high. These practices are described as prudent investment of depositor funds. However, many of those depositors are the very persons who cannot obtain loans when they are needed. If financial institutions do not make reasonably priced financing available in the communities that sustain them, they create the very slums they fear.

Another aspect to discriminatory actions is the landlord-tenant relationship. While there are some limitations on the right of a landlord to refuse to rent an apartment, he can evict a tenant in 30 days or at the end of a lease without cause. In addition to the insecurity caused by the possibility the landlord may want a unit for a relative or friend, the threat of eviction in a tight market constrains a tenant from fully exercising his or her rights.



Historically, municipal ordinances and housing assistance programs have given preference to families with children, the elderly and disabled. Families of any size, for example, can occupy a housing unit but there are limitations on the number of unrelated persons who can occupy the same housing unit based upon its zoning and the availability of parking. In housing to serve the elderly fewer parking spaces are required. Only families with children, the elderly and the disabled are eligible for low cost leased housing units or moderate cost apartments financed with below market rate loans.

Current Activities

City government has taken only a few steps toward eliminating discriminatory practices. The current pilot rehabilitation program works with lenders to encourage them to make reasonably priced loans throughout the City. In 1970 a Rental Housing Committee investigated and reported on problems of landlord-tenant relationships; an experimental mediation service was implemented for a short time. When asked, the City will refer individuals to groups such as Berkeley Neighborhood Legal Services who can provide advice to low income residents on discrimination cases.

The University Housing Service requires non-discrimination from persons listing property with them. Educational material is provided to students on their rights and responsibilities as tenants. The Counselling Office works with individual problems involving discrimination. The Metropolitan Housing Center in Oakland is providing services in Alameda County to negotiate tenant-landlord disputes and is working to eliminate discrimination because of race and sex as far as access to all housing is concerned. Workshops are offered to advise managers, landlords and tenants of their responsibilities and their rights. When legal services are needed and unavailable elsewhere, the Center can provide them.

The State Fair Employment Practices Commission investigates alleged violations of the Rumford Fair Housing Act. Where cases cannot be settled by mediation, a hearing board is called. Owners found discriminating must provide satisfactory housing or be subject to a fine of up to \$500.



Constraints

At present no sanctions exist to control discrimination against households which include students, the disabled, single parents or children. Landlords and neighbors often view unconventional households as a threat. No accepted standards exist on what are reasonable grounds for refusing to rent or sell. No federal, state or local legislation addresses these issues.

Similarly, the right of a landlord to evict tenants at the end of any contract period is protected by state law. No assistance is provided to the tenant who must move to accommodate the owner.

Likewise, the freedom of financial institutions to adopt lending and insuring policies that discriminate against neighborhoods persists. Progress has been made in laws to prohibit discrimination on the basis of race, sex and age. Lack of rational standards and the blind adherence to old prejudices, however, continue to plague residents and neighborhoods.

Public programs have traditionally limited government financial assistance to families with children, the elderly and the disabled. The assumption has been that others can and should take care of themselves. Scholarships and other forms of student aid are expected to cover all needs, including housing.

NEIGHBORHOODS

Problem

The environment in which a home exists is as important to its occupants as the interior arrangements. A convenient location, safe streets, quiet and seclusion, compatible neighbors and attractive appearance are the qualities most sought after by Berkeley residents in their neighborhoods. Of residents who perceive changes in their neighborhoods, more than 60% see their neighborhoods changing for the worse rather than for the better. Deterioration, traffic, parking and crime are problems in many areas.

Almost 50% of Berkeley residents have lived here less than five years. A large proportion have lived in a variety of locations since coming here. Such mobility inhibits on-going cooperation among neighbors.

Changes in the composition of the population have occurred simultaneously. Large number of young adults have moved into Berkeley; many families with children have moved away. This may result in even greater mobility among re-

sidents in the future. Some neighborhoods have developed strong and enduring neighborhood organizations. These groups have been able to lobby for their interest in zoning, traffic control, residential rehabilitation, public improvements and services. Many neighborhoods, however, do not even have clearly defined neighborhood boundaries. Ad hoc groups often form around a specific problem. On-going participation in neighborhood self-help activities and city-wide decision making are infrequent.





Current Activities

In revision the Master Plan, the planning staff has divided Berkeley into 21 "study areas." These are based upon the perceptions of residents, common characteristics and the existence of organized neighborhood groups. Neighborhood plans are being developed for each area.

Notification procedures have been expanded on development proposals being acted upon by the Planning Commission and Board of Adjustments. Where groups are active, developers are encouraged to meet with the neighborhood groups affected. These groups have no official role, however, in making decisions about their neighborhoods.

The Master Plan revision mandated by the Neighborhood Preservation Ordinance calls for a new planning process. The role of neighborhoods in the planning process is receiving intensive study and discussion.

Constraints

Neighborhood organizations often face the double dilemma of apathy on the part of residents and impotence in dealing with City government. Residents must have confidence that their efforts will result in changes for the better in their neighborhood or their involvement is likely to be short lived. To date extensive participation has been demanded to achieve modest improvements. No significant role for neighborhood groups exists in the current City organization.

Additional problems reduce involvement in some areas of the City. In the campus area, people move so often that few are available long enough to see proposals through from start to finish. In other areas, low income and limited organizational experience inhibit participation. Many residents are so busy with families, careers and cultural concerns that no time remains for neighborhood problems unless an immediate threat is perceived.

A final constraint - and perhaps the greatest - is the inability of the City to adequately respond to neighborhood problems. Frustration with the City's ability to control crime, dogs, housing deterioration and traffic discourage many. Expectations run much higher than performance; disillusion replaces participation.

SOURCE OF DATA

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Berkeley Profiles. Berkeley Planning Department. November 1974.

GOALS and POLICIES

GOAL 1

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Berkeley residents should be able to obtain suitable housing at a price they can afford.

GOAL 2

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Existing housing should be maintained and improved.

GOAL 3

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Berkeley should have an adequate supply of housing for persons with special needs.

GOAL 4

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All residents should have equal access to housing opportunities, financing and insurance.

GOAL 5

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The University of California should take responsibility for housing needs of its students and staff which cannot reasonably be accommodated by the private housing market without causing or increasing housing problems for other Berkeley residents.

GOAL 6

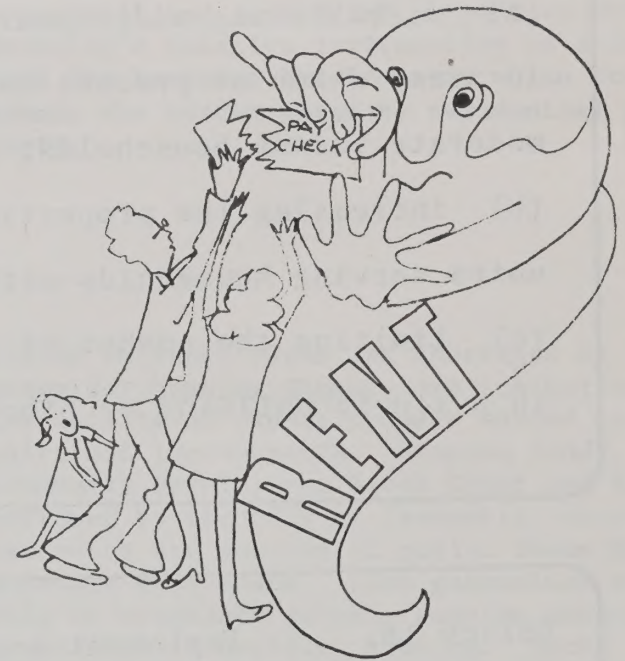
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Berkeley should be made up of a variety of neighborhood environments offering maximum choice of housing for all economic and social groups.

GOAL 1

BERKELEY RESIDENTS SHOULD BE ABLE TO OBTAIN SUITABLE HOUSING
AT A PRICE THEY CAN AFFORD.

At the heart of Berkeley's housing problems is the gap between the market cost for decent housing and the income of many Berkeley residents. In 1970 57% of rental households in Berkeley paid more than 25% of their income for rent. 4.4% lived in units housing more than one person per room. Since then land values, property taxes, construction costs, utility rates, interest and insurance have all continued to rise. Increasing demand has reduced vacancies and further increased costs by bidding up the price of available housing, especially that serving low and moderate income households.



Policy 1A. Increase the number of low and moderate income households receiving housing subsidies with priority to:

- (a) distributing additional subsidized units in areas which at present have few low and moderate income households;
- (b) increasing the proportion of subsidized units serving households with children, and
- (c) limiting the number of subsidized units in a single building or block.

Policy 1B. Implement a citywide system of rent control which defines the obligations of both tenants and landlord.

Subsidies which make up the difference between the market cost for a suitable place to live and what a household can afford are the most direct means for filling the gap between costs and ability to pay. This is the approach of the current Leased Housing Program and the new Federal Housing Act. The major problems with the Leased Housing Program to date have been that (a) it serves only a small proportion of those needing assistance, (b) the leased units are concentrated in South and West Berkeley, (c) few units are suitable for large families, and (d) the program provides inadequate funds for management and maintenance. To increase its effectiveness, the City must actively seek to increase the number of new, rehabilitated and existing units throughout Berkeley receiving subsidies.

Due to legal actions, the rent control charter amendment voted by the people in 1972 has not been implemented. Only when a rent control system is operating in Berkeley can a determination be made on its impact and benefits.

Policy 1C. Initiate actions to replace reliance on the property tax for support of local government and education with broader based financing related to ability to pay.

Policy 1D. Aggressively seek below market rate financing through public and private sources for the development and conservation of housing serving low and moderate income households.

Communities such as Berkeley with large amounts of land off the tax rolls and a modest industrial base are forced to impose extremely high property taxes on residential properties to raise income for municipal services and education. If this oppressive load is to be reduced, more revenue from taxes based upon income should replace property tax revenue. This can be done by increased subsidies of the property tax from the state or federal level, increased direct aid to local government from state and federal sources, initiation of income taxes at the local level or some combination of these. High property taxes for commercial and industrial properties reduce Berkeley's relative desirability as a location for business and industry which compounds the burden borne by residential property.

Rising interest rates and shortages of money for housing finance are inhibiting the ability of owners to make needed repairs and improvements. Pension funds, the Community Development Block Grant and funds borrowed by the City at favorable interest rates are sources of public funds for moderate cost loans. Loan guarantees can help to stimulate private housing market investment in Berkeley housing. Local financial institutions should be encouraged to make loans at reasonable rates to Berkeley residents.

Policy 1E. Support activities which will expand opportunities for home ownership among low and moderate income households in single family homes, condominiums and especially cooperatives. Concurrently encourage maintenance of an adequate number of units for those best served by rental housing.

Policy 1F. Insure the provision of adequate relocation assistance to households forced to move to accommodate public action and, in appropriate circumstances, compensation for costs incurred by tenants when forced to move as a result of private action.

Ownership offers advantages such as the \$1750 property tax exemption (a direct saving of approximately \$250 per year), security from eviction, freedom to manage property to meet individual needs and protection against rent increases. Methods now exist to encourage the formulation of cooperatives and condominiums at a cost within the means of lower income households. Berkeley should actively assist in implementing feasible cooperatives and condominiums.

Increasingly high standards have been implemented for the provision of relocation assistance to households forced to move due to public action. Berkeley has taken initial steps to cover private relocations by requiring assistance to tenants forced to move when buildings are converted from rental units to condominiums. Further study of methods for assisting households forced to move due to private rehabilitation, conversion to different use or other private action is needed.

Policy 1G. Support those policies at higher levels of government which will insure the maximum flow of housing assistance to meet Berkeley needs.

If the deterioration of housing in Berkeley is to be reversed without driving out the many low and moderate income household here, greatly increased assistance is needed to subsidize housing costs and assist rehabilitation. In the long run, preservation of this housing will be essential in meeting regional needs for all its households economically.

GOAL 2

EXISTING HOUSING SHOULD BE MAINTAINED AND IMPROVED.

The wood frame construction that makes up most of Berkeley's housing can last indefinitely if properly maintained. The housing is aging, however, and most is in need of repair. If neglected, an increasing number of houses will become dilapidated - presenting hazards to those who live in them and blighting the neighborhoods in which they occur. This problem can be controlled only if the City intervenes to see that sound housing is maintained in a systematic way, deteriorated housing is repaired, and those units that have become unrepairable are replaced.



Policy 2A. Institute a comprehensive program of housing conservation to integrate technical and financial assistance to owners and tenants so that housing is preserved without being priced beyond the means of present Berkeley residents.

Policy 2B. Coordinate a system of flexible code enforcement with assistance programs to insure that on-going maintenance is performed without producing undue hardship for low and moderate income owners and tenants.

Berkeley recognizes housing conservation as a municipal function. Major reliance will be upon private action and private financing. However, to be effective, housing conservation must coordinate private action with financial assistance (such as low interest loans), services (such as relocation and guidance for self-help), control of rents on buildings receiving assistance and flexibility to improvise methods for meeting special needs.

Code enforcement is the most direct method for obtaining repairs to housing structures. Flexible enforcement and coordination with assistance programs is needed to prevent hardships to lower income owners and tenants. Systematic inspection of rental units and pre-sale inspections can increase the compliance throughout the City. The Housing Advisory and Appeals Board should be able to grant exceptions and impose conditions as appropriate to preserve housing and mediate hardships. Priority should be given to correcting hazardous conditions and those which will result in rapid deterioration. In all code enforcement, advice on self help should be provided to allow owners to make repairs at the least cost. Systematic savings and insurance funds should be investigated as a method to facilitate on-going preventive maintenance which can reduce the number of buildings needing major rehabilitation.

Policy 2C. Do not permit the demolition of housing or its conversion to non-residential use unless (a) an over-riding public need is served which can feasibly be met in no other way and (b) comparable replacement housing is provided.

Policy 2D. Prevent the loss of housing through uninhabitability or extended vacancy. Where the owner does not act in a timely fashion to correct conditions which are life threatening, make repairs and charge the owner. Where a building is left vacant, seal the building, make repairs as necessary and take action to return the building to the housing market.

In recent years the major loss of housing has been to other uses - University expansion, BART, hospital expansion, parks and conversion to commercial and office use. If such losses are to be controlled, the value of housing must be emphasized in making development decisions as is provided in the Neighborhood Preservation Ordinance. Permanent legislation is needed to inhibit the loss of housing to uses which may be less essential to the community but may be able to outbid housing on the open market. In locating public facilities, priority should be given to location where the effect on housing would be minimal.

While most owners are conscientious in their desire to maintain housing and to extend its economic life, some become convinced that obtaining maximum present return with an eventual aim toward replacement is more advantageous. Such actions have a blighting influence on a neighborhood which can reduce its current amenity and even adversely affect the longer term possibility of building new housing on the site. A combination of systematic code enforcement, the sealing of vacant buildings to prevent vandalism and emergency repairs of hazardous conditions is needed to control these problems. The City should be prepared to respond promptly to reports from individuals, neighborhood organizations, utility companies or others that a building is vacant or being vandalized. Methods should be developed for the City to repair and manage buildings in extreme situations.

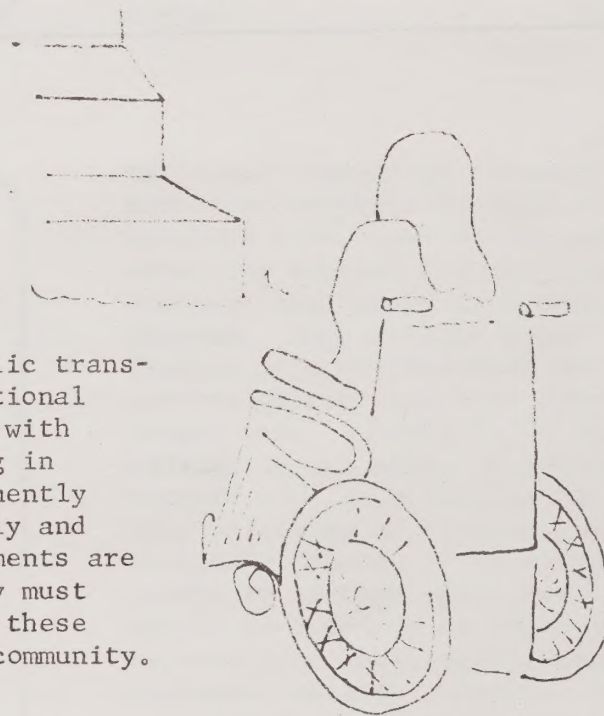
Policy 2E. Take actions to prevent the loss of residential buildings of aesthetic, historic, or social significance.

Passage of the Landmarks Preservation Ordinance and establishment of the Landmarks Preservation Commission are first steps to protecting Berkeley's special housing. The cataloging of these structures and the development of means of protecting threatened buildings are the next steps; where appropriate, loan assistance for physical renovation and/or movement to another site should be provided. Opportunities for public enjoyment of buildings should be encouraged landmark.

GOAL 3

BERKELEY SHOULD HAVE AN ADEQUATE SUPPLY OF HOUSING FOR PERSONS WITH SPECIAL NEEDS.

Because of its central location, public transportation and accessibility to educational and medical facilities, many persons with special needs can benefit from living in Berkeley. This includes those permanently disabled, temporarily disabled, elderly and dependent. As more homelike environments are replacing large institutions Berkeley must expand the housing opportunities for these persons and their acceptance in the community.



Policy 3A. Identify existing housing and seek to increase the supply of housing that serves the needs of the physically disabled, especially of low and moderate income.

Standards have been developed for housing to serve special physical needs, such as for those in wheel chairs. Through its Housing Department, the City can inventory the units meeting such standards and encourage builders and remodelers to design suitable units for the disabled.

Policy 3B. Support activities that increase the ability of the elderly and the disabled to locate housing to rent or purchase throughout the City.

The elderly often have lived in Berkeley many years and wish to remain in neighborhoods that are familiar to them. They may own homes they wish to keep. City zoning regulations should be flexible to accommodate such needs where adverse impacts for neighborhoods are not created.

Policy 3C. Support the expansion of housing opportunities throughout the City for persons with permanent or temporary disabilities (physical, mental or emotional) in small scale institutions, foster homes, halfway houses and conventional housing.

To provide humane care and to reduce costs, homelike environments in residential neighborhoods are being sought for nursing homes, care for the mentally retarded, foster homes, halfway houses for mental patients, drug treatment centers and other supervised housing. With its large older homes, Berkeley offers many opportunities for such housing. While each must be evaluated in terms of its impact on a given neighborhood, their accommodation should be encouraged to the extent Berkeley residents are served.

GOAL 4

ALL RESIDENTS SHOULD HAVE EQUAL ACCESS TO HOUSING OPPORTUNITIES, FINANCING AND INSURANCE.

Discrimination has limited the opportunities of many Berkeley residents to obtain housing. This has affected racial and ethnic minorities, students, households headed by women, the disabled, communal groups and other unconventional life styles. Additionally many areas of the City have either not been able to obtain mortgage financing or it has been extremely expensive; similar experiences have been found in obtaining fire insurance. The legacy of these injustices is a highly segregated City and one in which much of the housing stock is in need of rehabilitation.



Policy 4A. Act to eliminate discrimination in the sale or rental of housing based on race, religion, sex, ethnic background, household makeup, student status, physical disability, or source of income.

Policy 4B. Aggressively seek to make reasonably priced financing and insurance available to residential properties in all parts of the City.

A number of agencies are actively working to prosecute cases involving illegal discrimination. The City can advise individuals who feel they have been discriminated against on sources of assistance. The City can remove those clauses in its ordinances and housing programs which have different standards or eligibility requirements for families (related by blood or marriage) rather than groups of unrelated individuals whose circumstances may be the same. The City should enact ordinances prohibiting discrimination on the basis of these characteristics included in the policy statement which are not already effectively prohibited by other levels of government. Landlords should not be inhibited from making reasonable inquiries to determine if a prospective tenant can and will pay the rent, take reasonable care of the property and be considerate of the neighbors.

Shortages or high costs for financing and insurance greatly inhibit the purchase and sale of homes. They also prevent the on-going maintenance so essential to keeping the housing stock livable. The City can counter this trend by direct discussions with lending and insuring institutions and by instituting improvement programs to demonstrate that areas are improving and are reasonable investment risks, and by providing disincentives which would penalize the institutions which practice redlining. Loan guarantees can also be used to induce loans in redlined areas.

Policy 4C. Promote equitable, cooperative and responsible exercise of privileges and obligations by landlords and tenants.

Both tenants and landlords benefit from cooperative relationships. Model leases, mediation services, educational programs and counselling can contribute to a climate of mutual understanding and respect. Prompt code enforcement coordinated with assistance to avoid hardships to tenants or landlords will support a continuing supply of sound reasonably priced rental housing.

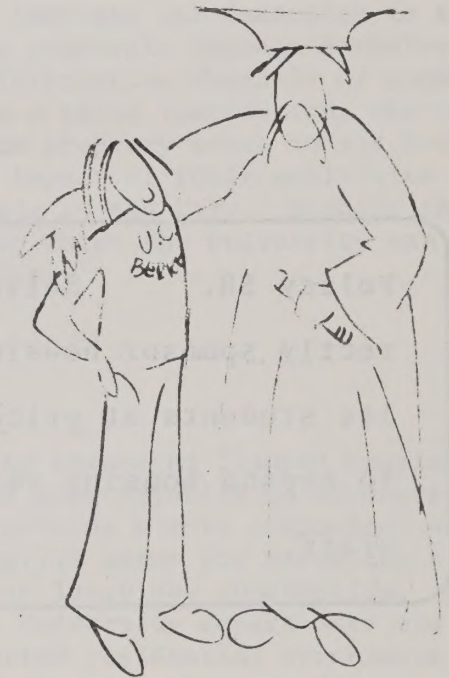
Policy 4D. Allocate housing assistance on the basis of financial need without restrictions as to household make-up.

Housing Assistance programs have often served only specific types of households. For example, the elderly or families with children. Financial need based upon household characteristics should be the only criteria. Additionally, flexible living arrangements (such as two single parents sharing a home) should be encouraged rather than discriminated against, as they are in the current leased housing program.

GOAL 5

THE UNIVERSITY OF CALIFORNIA SHOULD TAKE RESPONSIBILITY FOR HOUSING NEEDS OF ITS STUDENTS AND STAFF WHICH CANNOT REASONABLY BE ACCOMMODATED BY THE PRIVATE HOUSING MARKET WITHOUT CAUSING OR INCREASING HOUSING PROBLEMS FOR OTHER BERKELEY RESIDENTS.

World War II and the years following saw a large increase in Berkeley's permanent population and student population. University expansion removed much older housing south of the campus and replaced it with high rise dormitories, parking lots and institutional buildings. Students, other young adults attracted by the University environment, and other Berkeley residents have become competitors for the limited supply of low and moderate cost housing in Berkeley. Only if the City and University together contribute to easing these problems can the need of University related households and other Berkeley residents be accommodated.



Policy 5A. Support the development of new housing for University-related households that is compatible with existing development, will be an asset to the neighborhood in which it is located and, if at all possible, integrates housing for students and other residents.

Housing developed on vacant land or to replace incompatible uses can assist in meeting students' needs and, concurrently, enhance neighborhoods. Opportunities to link the development of such housing with public facilities that can be used jointly by student and non-student households should be sought. Wherever possible, methods should be found to develop housing for students and non-students together.

Policy 5B. Solicit the University to directly sponsor housing for at least 25% of its students at prices they can afford and to expand housing services for students and staff.

Student housing need not be in Berkeley but should serve the 25% the University projected in the 1950's. In addition subsidies should assist low income students. This minimum number would relieve the stresses on the Berkeley housing market. While even more student housing is needed, the limited number of suitable sites in Berkeley inhibit new development. To date, the University housing office has performed exceptionally in meeting the needs of students and faculty to locate housing, become informed on the responsibilities and obligations of landlords and tenants, and to indicate sources of other housing assistance. With adequate funding, this function should be expanded and coordinated with similar types of services provided by the City and other public agencies.

Policy 5C. Urge the University to involve residents, community organizations, students and staff, City government and University administration in long and short range planning for University related housing.

Policy 5D. Seek agreement from the University that its housing will be developed in accordance with City policies and regulations and that it will provide payments or "in kind" services to compensate the City for the loss of tax revenue.

Policy 5E. To expand housing available to students, encourage the University to (1) lease housing that can be re-rented to students, and (2) make residential buildings that have or could be used for other purposes available for housing.

The impact of University planning for housing is felt throughout the community. But, to date, planning by the University has been almost exclusively an administrative function. More open and cooperative planning could result in more understanding of the potential impact of alternative proposals and open up the process to creative cooperative solutions. Locations in and out of Berkeley should be considered.

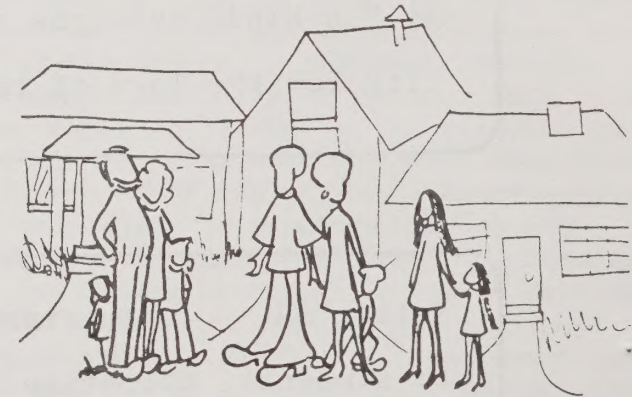
A menacing aspect of the University is its exemption from City regulation. An indication of its interest in cooperative planning would be for the University through the Board of Regents to indicate its intention to submit all housing proposals through Berkeley's normal administrative channels of community review. As a state institution, the University pays no property taxes on its holdings though the impact of their activities produce service costs to the City. Methods should be developed by which the University can reimburse the City.

A University sponsored "leased housing program" would give priority to students and staff and provide a more economical and less disruptive means for assisting student housing than large new construction. In recent years University departments and agencies have converted residential structures (both on and off the campus) into office use. The housing supply could be increased by returning these to residential use and refrain from such conversions in the future.

GOAL 6

BERKELEY SHOULD BE MADE UP OF A VARIETY OF NEIGHBORHOOD ENVIRONMENTS OFFERING A MAXIMUM CHOICE OF HOUSING FOR ALL ECONOMIC AND SOCIAL GROUPS.

Many parts of Berkeley are highly segregated in terms of racial, social and economic groups. The nature of existing development, transportation services, past discrimination and resident preferences perpetuate this segregation which results in misunderstanding, alienation on many occasions.



Policy 6A. Define Berkeley's neighborhoods which conform to those already in existence and which reflect resident perceptions. Area planning should contain, to the extent possible, integral neighborhood(s) and should be large enough to permit planning for parks, public facilities and services, transportation and housing conservation and development.

Policy 6B. Establish new regulations which can provide greater flexibility in the use of the housing stock without being detrimental to neighborhood amenity.

Neighborhoods provide a focus around which residents can organize and through which they can communicate and plan with the City government. While the appropriate area for participation in a decision may be larger or smaller, the neighborhood as defined by physical or major street boundaries, common concerns, or a commercial or cultural center can serve as a base for area planning.

Zoning can become more flexible to facilitate some expansion of housing choice such as permitting small second units in single family areas or encouraging the enlargement of small houses to serve larger households. It might be possible, utilizing proper safeguards, to permit group quarters or small institutions in all residential zones. Further flexibility might be achieved by allowing experiments in unusual design and/or arrangement of residential quarters such as combination workshop-residences in industrial zones.

Policy 6C. Enlarge and strengthen the role of the neighborhood in planning and development decisions.

In recent years notification of private development proposals has been expanded. Methods for notification of plans having city-wide implications is still inadequate. Berkeleyans have already indicated their desire for the neighborhood to have a greater voice in development decisions through passage of the Neighborhood Preservation Ordinance.

Policy 6D. Encourage mutual self-help activities which further housing and community maintenance and which increase the ability of residents to manage their housing economically.

If housing is to be preserved within the economic capacities of Berkeley residents and available governmental assistance, residents must become more expert at managing their properties and helping each other so that costs, both short and long range, are reduced. With the sharing of skills and tools, costs of routine repairs as well as major improvements can be reduced. Concurrently, a sense of community will be enhanced. Neighborhood development corporations can be organized as needed.

IMPLEMENTATION

GENERAL STRATEGY

PROPOSED ACTIONS

1. Housing Conservation

- A. Housing Rehabilitation
- B. Housing Inspection
- C. Emergency Repairs
- D. Continuing Maintenance
- E. Replacement Housing
- F. Relocation
- G. Architectural and Historic Preservation
- H. Direct Housing Services
- I. Citizen Participation

2. New Housing

3. Special Needs

- A. The Elderly
- B. The Disabled
- C. Low Income
- D. Single Parents

4. Role of City Hall

- A. Advocacy
- B. Zoning
- C. Tenant/Landlord Relations
- D. Other

5. University Housing

FINANCING MECHANISMS

1. Local

- A. Loan Sources
- B. Other Funding Mechanisms

2. State

3. Federal

- A. Housing and Community Development Act of 1974
- B. Tax Relief for Home Buyers
- C. Urban Reinvestment Task Force

GENERAL STRATEGY

In the past Berkeley has had no organized approach to ensure adequate housing at affordable costs for its residents. The approach was laissez-faire, and reliance was placed upon the functioning of the private market. A shift of emphasis nationally upon housing and the requirement that local government adopt housing plans have drastically shifted Berkeley's approach.

Housing--A Municipal Function

It is proposed that Berkeley maintain its posture that housing conservation is a municipal function and broaden that function to include other housing activities. Accordingly, the City should be involved in housing for its citizens in a direct way. This requires a major shift in function and orientation in the provision of services at City Hall, as well as administrative structure.

Emphasis on Conservation

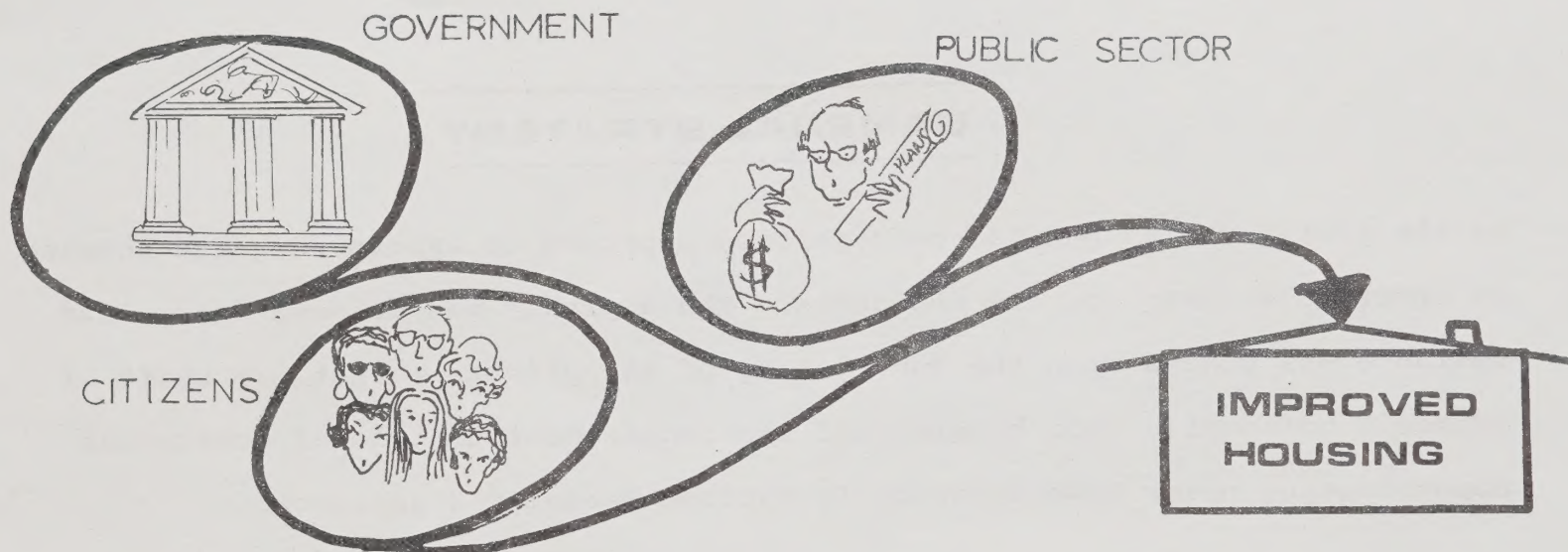
Because Berkeley is a fully developed City, major strategic emphasis will be placed upon efforts to reverse and prevent neighborhood deterioration by devoting its major resources to rehabilitation efforts. This will be performed with strong safeguards for lower income households in the framework of a comprehensive housing conservation effort.

Neighborhood Involvement

A necessary component to the strategic approach to housing conservation is the effort to involve neighborhoods--organizations and residents--from the outset. The City will seek out, help organize and work with neighborhood groups in order to help make this effort succeed.

Involvement of the Private Sector

Berkeley's efforts on housing conservation must include, in addition to the City's direct efforts, a major effort to encompass the private sector into the program. This is a recognition that a major part of the effort at housing rehabilitation and upgrading will necessarily fall upon the private sector. Berkeley will use its municipal prestige to encourage these private efforts.



New Housing

Although Berkeley is fully developed and the primary focus will be upon preserving the housing stock, a substantial effort will have to focus upon new housing--either replacement housing or additional new housing. Here, too, Berkeley will expand its City services, explore program approaches, and encourage the private sector in this area.

The University

Because Berkeley is a University City, home of an internationally renowned institution, any housing strategy must include approaches to University housing. The City will attempt to involve the University in a cooperative effort leading to concrete proposals for joint action.

Special Needs

In all of its housing programs, Berkeley will be emphasizing the objective of satisfying the needs of its population groups with special problems--the low income, the elderly, the disabled, and others and directing the City's scarce financial resources toward these groups.

Financial Resources

Finally, Berkeley recognizes that without financial resources, most efforts will be of no avail. A necessary strategic approach will include an exhaustive search for housing financing sources and mechanisms. In addition, Berkeley will attempt to leverage its housing funds to the fullest extent.

PROPOSED ACTIONS

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1. Housing Conservation

Housing conservation is the process of upgrading maintaining, and augmenting the existing housing stock through direct or indirect actions of the City, to ensure the availability of decent standard housing in pleasant neighborhoods for all residents of Berkeley at an affordable cost.

A. Housing Rehabilitation

Berkeley has already initiated a rehabilitation program - the Pilot Rehabilitation program. This is a modest effort in three small areas of the City. In addition, through Community Development Program financing, two additional rehabilitation projects will be undertaken in 1975-1976: one for elderly and physically disabled persons, an extension of the Model Cities program, and one for structures containing one to four units. These programs should be continued and expanded to contain the following elements:

1. Structures of all sizes should be included.
2. The program should concentrate on the areas of worst housing.
3. Financial assistance, through techniques described in a later section, for renters, home owners and landlords who cannot afford the repairs.

4. Initially, hazards removal from all housing should be the primary target. This necessitates providing financial assistance for this purpose before using limited funds for the next stage of the rehabilitation program.

5. Special consideration should be given to the elderly and physically disabled.

6. Tenants should be protected from all but modest rent increases.

7. The program should be services oriented as distinct from regulation enforcement.

8. The citizens should be kept informed, their cooperation enlisted, and their participation in program implementation sought.

9. If the budget for rehabilitation is exhausted in a given year, units (people) should not be forced to participate in the program until further funding is available.

B. Housing Inspection

Berkeley should develop a city-wide housing inspection program which would provide proper safeguards for low and moderate income families. Berkeley has approved rental inspection program under the Community Development Program as part of its first year effort. This is a small demonstration project however. Housing inspection should incorporate the following features:

1. Periodic inspection of residential rental units and of hotels of six or more rooms.
2. Classification of structures according to degree of deterioration and code violations according to degree of hazard.
3. Phased implementation of the program on a district basis.
4. Determination of hardship categories: For landlords based upon (1) inability to meet credit requirements (2) inability to service debt, (3) low income, and (4) unavailability of municipal loans; and for tenants based upon rent/income ratio and family size.
5. Postponement of non-hazardous violations for hardship cases.
6. Coordination with financial and technical assistance programs.
7. Provision of an appeals procedure.
8. Semi-annual reports to council

9. The conditions of a larger scale housing inspection program should incorporate the features listed under Rehabilitation items 1 through 9.

10. The Relocation section should be applicable to this program.

11. City-wide code enforcement is a very sensitive area for the residents. Extreme care and service oriented approach is required. An extensive public relations campaign should be maintained on an on-going basis.

12. Special concern needs to be practiced when dealing with the permanent residential hotels, especially in the downtown area. There is a large permanent hotel population within the CBD many of whom are elderly, small income pensioners. An upgrading of their living conditions is certainly a positive thrust in the direction of providing decent housing for this relatively low income group. Caution in the determination of what constitutes life threatening hazards is called for in order to prevent real harm to this group.

13. Frequently buildings may be declared substandard which could be readily repaired to a "deficient" status, but which would be uneconomic to repair to housing codes. Interim housing standards should be established for such buildings which would then be scheduled for removal and replacement in five years.

C. Emergency Repairs

1. Berkeley has established an Emergency Repair Fund as one of the components of the Community Development Housing Program. This will provide a flexible mechanism for addressing emergency situations in all of the housing conservation programs involving immediately hazardous conditions. This fund should be continued on an ongoing basis and should be replenished from the established loan programs, from tax liens on recalcitrant landlords, or from the financial assistance provided to the hardship cases under code enforcement.

2. An alternative to the above would be an emergency loan fund established through the development of a landlord security deposit ordinance. This is an ordinance which creates obligations to deposit with the City a set sum of money per unit to insure the landlord's immediate repair of specified emergency conditions. In effect this establishes an insurance fund for emergency repair contracts. When used the landlord is obligated to replenish his or her deposit fund.

D. Continuing Maintenance

1. Through the Housing and Development Department, Berkeley should provide a continuing and preventive maintenance service program by:

- a. Providing a maintenance education program for homeowners, landlords and tenants.
 - b. Developing prepaid maintenance funds for rental and owner occupied housing. The first year of the Community Development Program calls for a feasibility study of establishing a prepaid maintenance fund.
 - c. Encouraging private neighborhood improvement efforts through such actions as working with neighborhood groups, assisting the development of block or neighborhood improvement associations, encouraging self-help programs, joint materials purchasing, etc.
2. Berkeley should prevent the deterioration of vacant buildings by an ordinance which would have the following features:
- a. The purposes of the ordinance include: preserving habitable structures, preventing habitable structures, preventing neighborhood deterioration, reducing fire hazards, and preventing the phenomenon of "abandonment".
 - b. Make provisions for registration of vacant buildings, inspections and reinspections as required.
 - c. Require owner to remove all potentially combustible material, secure the building and bring the building up to non-hazardous condition.

- d. If the owner does not comply, make provision for the City to step in to secure the buildings, provide for bringing the building to its condition at the time of required registration (at a minimum to a non-hazardous condition) and charge the owner.
- e. Make provision for the City to be able to acquire, rehabilitate and replace the building on the housing market for low and moderate income families.

3. The Housing and Development Department should make a periodic vacancy survey in order to keep current on the number of vacant buildings.

4. Berkeley should adopt a presale inspection ordinance which would require that prior to the sale or exchange of any residential building that a property status report be prepared by the owner for the purchaser. There should be a provision for mandatory repair for hazardous conditions. For other than hazardous conditions, repairs could be voluntary by either the buyer or seller.

E. Replacement Housing

1. An integral part of a housing conservation program is the provision of replacement housing when repairs and rehabilitation is not feasible. The program for replacement housing should conform to the following:

- a. The City should regulate the demolition and replacement of the existing housing stock.
- b. The criterion for determining when housing should replace an existing structure is when it is more expensive to rehabilitate the existing building than to build a new structure with the same number and type of units.
- c. When replacement housing is indicated one for one replacement, as a minimum, is required.
- d. In the case of demolition of units for low and moderate income households, equal numbers of replacement housing should be provided for low and moderate income households. The City should provide financial assistance when necessary.
- e. Replacement housing should be offered first to those displaced.

2. Develop a land banking program wherein the vacant parcels could be used as: sites for housing for temporary relocations; sites for replacement housing.

3. The Housing and Development Department should develop a program to use relocation funds to acquire housing, rehabilitate the housings, and/or move the housing into appropriate sites, and either use the housing for relocation or return it to the private market for low and moderate income families.

4. Berkeley should enact an ordinance which would regulate the conversion of residential land to non-residential use, including such standards as the provision of conversion of an equal amount of non-residential land to residential use, conditions for such conversions, etc.

F. Relocation

Berkeley should assume the function of the Central Relocation Agency and move it from the Berkeley Redevelopment Agency into the Housing and Development Department at City Hall. The General Relocation Plan should be updated in order to cope with the expanded housing programs. This revision should make provision for the following:

1. Provide direct services such as locating comparable housing, escort service, counselling, etc.
2. Provide financial assistance to those households who cannot afford to move, and develop standards for such financial assistance.
3. Relocate within Berkeley if the relocatee desires.
4. Standards for relocated housing should as a minimum conform to those established under State and Federal guidelines.

5. The specific project should not commence until relocation has been accomplished.

6. Where temporary (no longer than three months) relocation is required, financial assistance for rent beyond the normal rent should be provided and the relocatees should have the right of first refusal on the rehabilitated unit. In addition, Berkeley should provide emergency relocation assistance e.g., in the case of fire, disaster, etc

7. Develop procedures and standards for providing relocation assistance to households displaced by private actions.

8. Relocation grievance machinery should be set up in order to provide an avenue of appeal by households to be displaced.

9. Displaced households should be furnished all the pertinent information regarding eligibility, their rights, their participation, etc., until they have satisfactorily been relocated.

G. Architectural and Historic Preservation

Berkeley should develop a continuing program for preserving architecturally and historically significant buildings. This will involve an inventory of landmarks, the development of criteria for designation as a landmark, and a program for preservation including criteria for financial assistance in cases of hardships.

H. Direct Housing Services

Berkeley should incorporate into its Housing and Development Department as many housing services as possible. As part of the Community Development Housing Program, direct housing services will be initiated in a limited way. This should be expanded to include:

1. Central Relocation
2. Housing Library
3. Housing exchange - listing of rentals and sales.
4. Training classes in home management using existing resources where possible.
5. Training classes in home maintenance and rehabilitation using existing resources where possible.
6. Provide tenant-landlord mediation service
7. Provide legal assistance on housing problems.
8. Provide technical assistance for self-help home maintenance and rehabilitation.

I. Citizen Participation

1. The City should involve Berkeleyans at all levels of the housing conservation effort.
2. The City should establish and staff a housing conservation commission as part of an overall Housing Commission whose functions would include, but not be limited to the following:
 - a. Help formulate program policy
 - b. Participate in the budgetary process
 - c. Help develop the work program
 - d. Monitor program administration
 - e. Help measure the program impact in the neighborhoods.
 - f. Obtain citizen response to the housing conservation effort.
 - g. Establish program priorities
 - h. Advise in the selection of staff and evaluation of staff performance.
 - i. Help educate Berkeleyans on housing conservation.

3. The City should designate and staff either the Housing advisory and Appeals Board, or establish a separate citizen body to hear and render decisions, subject to appeal to the City Council, on housing conservation cases such as affordability appeals, relocation grievances, permitted rent increases, etc.

4. The City should encourage existing neighborhood organizations to participate extensively in the housing conservation program, and to provide input into the Housing (Conservation) Commission and the Appeals body. Where there are no existing neighborhood organizations, the City should help establish them.

5. The City should help organize a Council of Neighborhoods, one of whose functions would be to act as a citizen clearing house for housing conservation.

2. New Housing

A new housing program in a fully developed City like Berkeley will not be as extensive as the conservation aspects. Land for new housing construction is scarce and is in direct competition with other land uses such as industrial, commercial, institutional, recreational, etc.

A. Berkeley should encourage the private sector to produce moderately dense housing in locations which, among other criteria, are serviced by good transportation; are on major arterials; are not already in high density areas; and have adequate public and private services.

B. The San Pablo Avenue refurbishing should include medium density housing.

C. Higher cost and higher density housing should be designed for the Central Business District but not at the expense of existing low and moderate income uses.

D. Publicly owned parcels of land of substantial size should have a housing component as part of any proposed use. This would apply to the Hearst Strip, University owned land, etc.

E. Berkeley should cooperate with SIPAC and other groups in their efforts to provide cooperative housing for low and moderate households.

F. Berkeley should embark on a program of land acquisition. This could make it possible for the City to provide direct subsidy for new construction, and to provide sites for house moves - part of the rehabilitation program. Thus, the land acquisition program would assist in increasing the housing stock and in subsidizing housing for low and moderate income families.

G. Berkeley should conduct a referendum on Public Housing which would permit the Berkeley Authority to construct, or have constructed, housing for the very low income. Any Public Housing developed should be compatible with existing housing and should not stigmatize occupants as Public Housing tenants.

H. Berkeley should enact an ordinance which would make mandatory the provision of a percentage of units for low and moderate income households in developments containing four or more units. Housing assistance by the Public sector should be provided.

I. The Housing and Development Department in conjunction with the Comprehensive Planning Department should produce plans for locally financed, small site redevelopment on land either vacant or containing unrepairable housing.

J. Berkeley should institute a study of the South Berkeley Transit Station and its environs with a view towards increasing the supply of housing of the environs together with a recreation air rights development above the station parking area.

K. As a condition of public assistance for new housing such as SAVO Island, Berkeley should require a proportion of the units to be large enough to accomodate large low and moderate income households.

L. The Comprehensive Planning Department should re-evaluate land zoned for industry for possible conversion to residential use.

M. Berkeley should develop methods for financial assistance for new housing for low and moderate income households.

3. Special Needs

A. The Elderly

Housing is only one of the special needs of the elderly. However, the program approaches to providing other services for the senior citizens are treated elsewhere.

Mention has been made of the rehabilitation program for the elderly which is part of the Community Development Block Grant Program. In addition to its continuation and expansion, the following actions are recommended:

1. Recognizing that housing for the elderly should include a bundle of services, the standards for such housing should be developed and made explicit by the Housing and Development Department in conjunction with the Parks, Recreation and Community Services Department, and with full participation of Senior Citizens including the Commission on Aging.

2. The Zoning Ordinance should have special provision to allow second units in housing of elderly owner occupants in residential districts presently excluding such units.

3. The Housing and Development Department should seek out sponsors for Senior housing and aid and assist them in obtaining federal assistance under the Housing and Community Development Act of 1974.

4. The Planning Department should undertake a special study of auxiliary facilities which provide housing for elderly. Such facilities would include sanatoria, rest homes, nursing homes, etc. This study would assess the need, the existing supply, and the impact of these facilities on the neighborhoods in which they are located.

5. Although the State of California provides some tax relief for low income elderly families, Berkeley should continue to act as an advocate to have the State increase this subsidy.

B. The Disabled

Like the elderly, this group has many needs including special architectural features to housing. The Community Development Block Grant Program includes a housing rehabilitation program for the disabled for 1975-1976. In addition to its continuation and expansion it is proposed:

1. Berkeley should require a percentage of units within new structures to conform to standards useable by the disabled.

2. The Housing and Development Department in conjunction with the Parks, Recreation and Community Services Department and with full participation by the disabled, should develop a program for the production of transitional housing in appropriate sites for the disabled.

C. Low Income

Housing programs for low income people have been mentioned both in connection with the housing conservation and new housing sections. Additional actions are:

1. The Housing and Development Department should actively seek sponsors for low income housing under Section #8 of the Housing Community Development Law of 1974.
2. The City Council should appoint low income tenants to the Berkeley Housing Authority.
3. The Berkeley Housing Authority should establish a grievance procedure through which the leased Housing Tenants can have their grievances adjudicated.
4. Low income persons generally have greater need for direct housing services. The Housing Services developed by the Housing and Development Department should be especially oriented toward needs to the low income.
5. Berkeley should develop a set of guidelines to serve as a prototype for the conversion of rental housing for low income people to cooperatives. The guidelines should include the level of subsidy the City is prepared to make for this effort.

D. Single Parents

Single parents, especially if the parents are women, have experienced more than the normal difficulties in obtaining adequate housing.

1. The Zoning Ordinance revision should reflect greater flexibility in order to permit group living and other alternatives for single parents.
2. Berkeley in its leased housing administration, and in redevelopment planning such as SAVO Island, should serve a population mixture which could include single parents.
3. The Berkeley Housing Authority, and the University of California Housing Office should accept applications for housing from single parents wishing to live together.
4. Single parents living together should be eligible for housing rehabilitation assistance if they meet other criteria.
5. Berkeley should enact an ordinance which forbids discrimination in housing to single parents, and set up a grievance procedure whereby single parents may have their grievances aired.
6. The University Student Housing Office should require non-discrimination against single parents as a condition for accepting housing referrals.

4. Role of City Hall

In addition to assisting in the programs already specified, City Hall has some additional functions.

A. Advocacy

Berkeley should actively advocate at the State and National levels for that legislation which would help to successfully carry out its housing programs. It should seek out other local jurisdictions and State and National groups with whom it could unite in a common effort on these matters.

1. Berkeley should advocate at the State level for compensation to local taxing jurisdictions for non-profit property tax exemptions, as is presently done for owner occupant exemptions.

2. Berkeley should advocate at the State and National level for in-lieu taxes for publicly owned property (University of California, State Department of Public Health, etc.).

3. Berkeley should advocate at the State level for reform of tax assesment practices which would assist rather than penalize the rehabilitation of houses, and provide tax rebates (with reimbursement to the City) for low income housing.

4. The City should request State legislature to:

- a. Provide broader rent control enabling legislation.
- b. Provide income tax enabling legislation.
- c. Reform statutes concerning landlord/tenant relations.
- d. Expand the allowable role of the City in housing finance, development and management.

5. Berkeley should advocate at the Federal level that costs for rehabilitation be made an allowable income tax deduction.

6. The City should advocate reform on the State and Federal level regarding the banking practice of redlining within communities.

B. Zoning

Recommendations concerning revision of the Zoning Ordinance have appeared in various pieces of the action programs. The revised Zoning Ordinance should also reflect the following:

1. The R-5 zone should be eliminated.
2. Berkeley should develop comprehensive criteria for determining land use in order to clarify when competing uses such as hospitals, rest homes, family style convalescent homes, etc., can take precedence over conventional residential uses.
3. Because of uneven development and changes in zoning over time, much of Berkeley has mixed residential types. The revised Zoning Ordinance should provide for a housing and land use type mix.
4. Housing occupancy standards shall not be based upon the relationships by blood or marriage of the household members.

C. Tenant/Landlord Relations

1. Rent Control - Berkeley voted a Charter Amendment instituting Rent Control in 1972. Because of legal actions this has not been implemented. Berkeley City Council should enact a rent control ordinance in keeping with the Initiative passed by the voters.

2. Berkeley should set up a municipal board to:

- a. Resolve disputes between landlords and tenants.
 - b. Investigate problems of discrimination in housing or financing.
 - c. Investigate eviction proceedings and bases for evictions with the view towards developing standards which would equalize rights between tenants and landlords.
3. The Housing and Development Department in consultation with tenant and landlord groups, should develop a model lease with varying forms applicable to varying circumstances to cover deposits, payment of rent, maintenance responsibilities, occupancy restrictions, etc.
 4. The Housing and Development Department should disseminate the information regarding the habitability of an apartment and rent withholding (The "Green Decision") to tenants and landlords.

5. The claim is often made that racial discrimination in Berkeley has been eliminated, and that what appears to be racial discrimination is a question of financial ability to pay housing costs. Whether this is fact or fiction, the following actions are proposed to ensure against racial or other forms of housing discrimination.

- a. Berkeley should set up a mechanism whereby complaints of illegal discrimination can be investigated and appropriate actions taken.
- b. The Housing Commission should develop standards as to what constitutes discrimination in the rental of housing on the basis of household size or make-up, income possession of pets, credit information references, etc. Thereafter if discriminatory practices are indicated, a series of conciliation actions should be undertaken to correct this situation. In the event this is fruitless, stiffer actions should be mandated.
- c. Berkeley should adopt an ordinance requiring that as a condition of obtaining a business license, the landlord must indicate: demographic characteristics of tenants, apartments, apartment sizes, turnover, rental rates, minimum income requirements, processing procedures, credit standards etc.

This information should be analyzed annually by the Housing and Development Department.

- d. Berkeley should request that the Berkeley Board of Realtors institute a self policing program to reduce housing discrimination. Periodic reports of such activities should be furnished to the Housing and Development Department for analysis, evaluation and recommendations.

D. Other

- 1. The City Council should dissolve the Berkeley Redevelopment Agency and assume its functions.
- 2. Berkeley should have a moratorium on condominium conversions until more equitable control of such conversions are implemented by the City such as majority tenants approval or denial of such conversions.

5. University Housing

There is no facet of Berkeley's life which to some degree or another is not influenced by the presence of the University of California. This institution is largely independent of the City and is responsible, through the Board of Regents, to the State Legislature. Berkeley cannot mandate any actions upon the University which it will not undertake willingly. At best, Berkeley could attempt to achieve its objectives through the State Legislature. This is an indirect path, time consuming and often fruitless.

It is nevertheless of paramount importance for Berkeley and the University to jointly attack mutual problems. To this end, the Community Affairs Committee with appointments from both the City and the University has been set up. This body set up a Housing Task Force to explore the housing interface between the University and the City. The proposed actions in this document will use the recommendations of the Housing Task Force, but will propose others as well. It must be born in mind that these actions are recommendations for the University. They cannot be enforced unilaterally by the City.

A. The University should provide housing without taking property off the tax roll.

1. Lease entire buildings and provide rental assistance or housing allowance, similar to scholarships, to students.

2. Utilize the Berkeley Housing Authority and the City Housing and Development Department to make a certain percentage of the units available for non-student, low income households under Section #8 of the Housing and Development Act of 1974, with the proviso that conditions necessary for study are maintained.

3. Include university leased units as part of the pay for junior faculty.

4. Lease housing to faculty and staff at market rates or less.

5. Lease portions of buildings for students; keep the remainder for non-students at market rates.

6. Do not acquire any more residential property for conversion to institutional use. Return such residential property, which has been converted to institutional use, to residential use.

7. Assist junior faculty to become home owners by providing the down payment on the house as part of the pay, or as a long term loan at below market interest.

8. The University should subsidize land acquisition by:

a. Granting or leasing it for student cooperatives

b. Granting it to low income housing sponsors for development of housing for both students and low income households.

B. The University should produce student housing built by students as part of the curriculum of the College of Environmental Design.

C. The University, either jointly with the City or individually, should develop housing on land currently owned by either the University or the City. Occupancy should be a mix of students and non-students.

D. The University should expand its housing services to include efforts to erase discrimination, production of a model lease, provision of legal services, etc. Cooperation and coordination with the City Housing and Development Department should be developed.

E. The University of California, Berkeley, should clarify its internal administrative structure relating to housing, clearly indicating the inter-relationships and decision making responsibilities of the various bodies.

F. The University should encourage expansion of University Students Cooperative Association housing by providing loans or loan guarantees for acquisition of existing housing or development of new housing.

G. The University should abide by all City regulations in their housing development.

FINANCING MECHANISMS

1. Local

A. Loan Sources

1. Regular Loans - Many property owners could afford repair costs or new construction with no assistance if repair loans, or mortgages were available to them at normal interest rates and maturity terms. Such repair loans or mortgages are often denied because of the location of the property. Berkeley could use its power of persuasion and evidence of its own commitment to the area to help free up such loans. Berkeley could also utilize its financial deposit practices to help apply pressure to persuade the lending institution(s) to make loan money available. Thus, while not using any City money at all, additional private financial resources would become available.

2. In a similar fashion, Berkeley could intensify its efforts to direct private funds have already been earmarked as high risk loans into Berkeley. Efforts to obtain the funds of SAMCO for Berkeley is an illustration of this approach.

3. Berkeley should investigate the legality of an ordinance which would require financial institutions to make a certain percentage of its assets available to Berkeleyans for loans for home acquisition or repairs in order to do business in Berkeley.

4. Berkeley could guarantee loans for repairs or mortgages. The City could guarantee only the top part of the loan by placing money equal to a small percentage of the loan in a reserve fund. Later, equity paid in by the loan recipient would suffice as a guarantee, freeing the City reserve to guarantee further loans. This approach makes available private sector money which would otherwise not be available. The lending institution would process applicants for loans in its normal manner. The interest on the loans would be at prevailing rates for insured loans.

5. Use of the General Fund. Berkeley, like most cities, is so strapped financially that it is extremely unlikely that this techniques will ever be used for loans.

6. Berkeley could float general obligation bonds for housing. The City's voters would first have to approve these bonds at an election. The amount which could be raised this way is dependent upon the debt limit prescribed by law. Since Berkeley has a low debt at the present time a substantial amount of money is potentially available. In today's climate of very high taxes it is questionable whether Berkeley's voters would approve any additional tax burden.

7. Revenue bonds offer a somewhat different approach to raising money. Revenue bonds do not require the approval of the voters nor is there a ceiling to their amount. The repayment comes from revenues of the project.

8. Berkeley could borrow directly from financial institutions and loan the proceeds at below market interest rates to individuals for repairs. Since lenders pay no federal taxes on loans to municipalities, Berkeley could borrow at significantly reduced rates. These savings could be passed on to those in the rehabilitation program, with perhaps a fee to cover loan service and bad debt reserve costs.

9. Pension Funds - Berkeley has already utilized part of its pension funds to set up a Municipal Loan Program. The pension funds earn modest returns and are utilized to provide below market interest loans for rehabilitation. This could be expanded utilizing City pension funds. Berkeley could also solicit other public institutions (e.g., U.C. Berkeley) to invest their pension funds in similar programs. In the same way, retirement funds could also be used for housing programs. Berkeley's employees retirement system is part of the State system. It might require some municipal action to free this money for housing.

10. Reserve and accrued funds are accounts set aside by the City for specific projects. These funds during their periods of accumulation could be used to support medium term loans.

11. In the search for housing sponsors Berkeley could seek to utilize traditional sponsors: International unions with their retirement funds, churches with church funds, insurance companies etc.

12. Seed Money Loans - Berkeley could set up a revolving fund which would be utilized to provide seed money loans to non-profit sponsors who would agree to produce housing for low and lower income households under Section #8 of the Housing and Community Development Act of 1974. Under the seed money loan agreements, Berkeley would agree to lend the sponsors money to pay expenses incurred in developing their housing programs, including consultant fees, architects fees, FHA and FNMA fees, purchase and optioning of land, legal fees, staff expenses and time, expenses to develop housing management programs, and their necessary expenses. The sponsors must repay all funds loaned when the housing units for which the expenses are incurred are completed and permanently financed.

13. Refinancing - This technique takes advantage of the equity which has built up over the course of years of paying off the mortgage. Refinancing the mortgage for the house will make equity available for home repairs without increasing the monthly housing payments. It will extend the length of time which will be required to pay off the mortgage.

The Housing and Community Development Act of 1974 has a section in it which provides for fe-

deral insurance of such rehabilitation refinancing loans. Accordingly, the Housing and Development Department should provide direct services to potential refinancing clients to assist them on this matter. In addition, the City could utilize its loan sources to provide refinancing assistance. A publicity campaign soliciting eligible homeowners could accelerate the usefulness of this technique.

B. Other Funding Mechanisms

1. Berkeley can raise money for housing through its taxation power. A property transfer tax, structured as a capital gains tax, could recover for the City a part of the unearned increment due to real estate value appreciation. Since Berkeley's property values have appreciated at a faster rate than most areas, and this phenomenon is expected to continue, this technique might produce an appreciable, continuous supply of money.

2. Housing Development Corporation - Berkeley could utilize any of the funding sources available to it to set up a non-profit corporation to act as its implementation arm on housing programs. This could be either in addition to, or a substitute for the activities carried out by the Housing and Development Department.

The Housing Development Corporation is an umbrella organization with a director and staff of experts in the housing field. It may provide

direct services, operate a landbank, provide technical assistance, develop a mortgage insurance system, operate a revolving fund for rehabilitation loans, etc.

3. Interest Subsidy - Berkeley would set aside money which would reduce the interest on mortgage or loan financing from regular commercial outlets or on City loans. This could operate for new construction, refinancing and rehabilitation. Since this subsidy would formally be made available to persons who could not afford the market interest rates, it is very likely that the lending institutions will require City guarantee for the entire mortgage or loan, as well as the interest subsidy.

The money for the interest subsidy could come from the Community Development Block Grant Program, the general fund, or the revenue from the property transfer tax.

4. Cooperatives - Berkeley should encourage and foster cooperative home ownership, by among other things, providing financing through sources as outlined above.

Cooperatives provide financial gains in the following ways:

A. It provides tax advantages by virtue of the homeowner's property tax exemption, which is reimbursed to the City by the State, income tax deductions of interest, and tax payments.

B. It eliminates refinancing at time of resale of individual units. This avoids the realtors commission, title search charges, etc.

C. The Units cannot be sold for speculative gain with accompanying higher mortgage payments and/or rents.

D. It eliminates the profit margin.

E. Resident members are protected against rising housing prices except those corresponding to actual increases in operating costs.

The cooperative holds the equity of all the units which are financed under a single mortgage. The resident members own one share per residential unit which reverts back to the non-profit cooperative corporation if the resident member moves.

5. Berkeley could utilize the general fund in providing housing assistance in ways not involving direct loans. The City is already engaged in such activities through the Community Development Block Grant Program.

2. State

Berkeley may benefit from a number of funds and programs at the State level.

A. Housing Finance Corporation - California has recently passed a \$940,000,000 bill to help rehabilitation and housing construction efforts. This permits bond financing by localities. A \$10,000,000 guarantee against default is part of the bill. The program guidelines direct the money toward low and moderate income homeowners.

B. The Marks-Foran Residential Rehabilitation Act allows local governments to issue revenue bonds to make loans to owners of residential property in declining neighborhoods for the purpose of meeting local and State rehabilitation standards. The local agency must designate a residential rehabilitation area, and is obligated to make public improvements to upgrade the area and to enforce rehabilitation standards in 95 percent income eligibility, or residence for owners.

C. Similar legislation allows redevelopment agencies to issue revenue bonds to make loans to finance new residential construction within redevelopment project areas. It requires that the loans be insured and that they be made through qualified mortgage lenders. There is no restriction on the terms or amounts of the loans.

D. The State allows redevelopment areas to be set up through the Community Redevelopment Law. The Redevelopment Agency could borrow funds for the purchase and preparation of the housing sites, and repay its loan from (1) proceeds from the sale of land to a housing sponsor, (2) interest income,

and (3) increased property taxes due to the increased valuation produced by the improvements. This additional tax revenue would be irrevocably pledged to repay the loan, and can be used by no other taxing district until the loan is repaid.

E. There are a number of housing programs which are subsidized by virtue of being property tax exempt by the State. This is a mixed blessing which produces a financial hardship for the City (and its citizens) while reducing the cost of housing to the users. Included under this are such projects as University owned housing, student non-profit cooperatives, senior housing, etc. The City should lobby at the State level for State reimbursement for such exemptions.

F. The University of California is a potential financing resource in the following ways:

1. Direct use of the University's construction fund for housing, e.g., dormitories, married student housing.
2. Long term lease or grant of University owned land as a direct subsidy for housing development, e.g., student cooperatives.
3. Use of its pension funds and borrowing capacity for the many action proposals cited earlier. There has been no evidence that the University would be willing to consider such uses of its financial resources.

3. Federal

In general Federal funds are a valuable resource because of their very low cost to Berkeley. However, it must be recognized that Berkeley has no control over the availability of this money, and Federal programs change from time to time.

A. Housing and Community Development Act of 1974

1. Community Development Block Grant Program. Berkeley has received \$2,800,000 for its first year effort, of which \$1,500,000 will be used for housing, both programatically and administratively. It is flexible in terms of how the money gets spent on an annual basis. It is anticipated that this money will be available for each of the next five years, although there will be a reduction in the amount the second and third year. For 1975-1976, over \$600,000 has been earmarked for rehabilitation and emergency repair loans.

Whenever possible these federal funds should be leveraged to maximize the benefits rather than using them as direct loans.

2. Section #8 is analagous to the leased housing program. This assistance is for low and lower income families. The Berkeley Housing Authority assisted some 1100 families up till this point. The dollar amoung for 1975-1976 is \$5,000,000 for Alameda County. This appears to increase the level of assistance over past years by about 15 percent.

3. Earlier housing assistance programs, Section #312 (loans for FACE), Section #235 and #236 (loans for rental and owner occupied housing, are being phased out and there is little likelihood that any of these funds will be available.

4. Section #811. One aspect of this law, applicable to rehabilitation purposes, is refinancing. This provides mortgage insurance refinancing of existing loans over longer terms so that owners can borrow additional funds for repairs without increasing total monthly payments. HUD regulations as yet have not been written, but in the next several years this should be an available tool. The amount of insured money available to Berkeley is dependent on the volume of houses eligible for refinancing.

5. Section #810. Urban Homesteading permits transfer of HUD owned foreclosed properties without payment to local governments or states. Since Berkeley has very few, if any such properties, this appears to be little utility in this section.

B. Housing assistance to home buyers was recently passed in the form of a \$2,000 tax relief on new homes built prior to March 26, 1975. This was designed to open the lagging housing market, and is not a long range effort.

C. Urban Reinvestment Task Force. This small Federal program is used to subsidize urban demonstration housing projects. Berkeley is one of five cities to receive a modest financial subsidy for its Pilot Rehabilitation program. It is not a continuing source of funds.

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